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NEWS SUMMARY

GENERAL

Transport chaos after downpour

Torrential rain and storms lashed England and Wales. Widespread flooding affected many roads; ground and air transport was severely disrupted.

Hampshire, Dorset, Berkshire, Surrey, Sussex and London roads were hit, and Kings Cross main line and underground stations were flooded out.

Four, including a young pregnant mother, were in hospital after being struck by lightning. But fine weather is forecast for the weekend. Picture Page 5; Men and Maters, Page 10

Grid chaos probe

Hot weather and a fast-growing tree were among the causes of Britain's worst power failure for almost 20 years. Page 5

Hostages freed

All hostages held by Gambian rebels at a military barracks were freed by Senegalese forces.

N-march ends

A 745-mile anti-nuclear protest march through five nations ended in Paris. Some 10,000 took part on the eve of the Nagasaki bomb anniversary.

African aid plea

Least Developed African Countries appealed for $133bn worth of aid to the end of the decade and said the high price of oil was a major cause of their problems.

Apartheid protest

Holland is ending its cultural treaty with South Africa in protest against apartheid.

Quake relief

An airlift of nearly £22,000-worth of tents and water carriers from Oxfam, Christian Aid and the Red Cross leaves for Iranian earthquake victims today.

RAF pilot killed

An RAF pilot was killed when his Jaguar fighter crashed during a low-level training exercise in Co Durham.

Lab death cash

The husband of a laboratory worker who died of smallpox was paid £26,500 in an out-of-court settlement.

'Soft drug' rap

Twelve soldiers from the Life Guards were disciplined for using "soft drugs."

Shell's price-rise

Shell is expected to announce today a pump petrol price rise of about 5p a gallon. Page 5

Bathers warned

Swimming in canals, reservoirs and rivers is highly dangerous, British Waterways warned.

Poet honoured

The Reverend John Jones, a Congregational minister from Bangor, won the chair, top award at the Welsh National Eisteddfod.

Party line

The new head of the Paris transport authority is a Communist, M Claude Quin. Page 2

Briefly . . .

Bingo helps keep old folk alert, a Cambridge University researcher says.

Norman Parkinson marks 50 years' photography with a National Portrait Gallery exhibition opening today.

BUSINESS

Sterling weaker; lead up sharply

● STERLING fell 80 points to close at $1.7980 but was fairly steady against European currencies closing at DM 4.5350 (DM 4.53), SwFr 3.9350 (SwFr 3.94), and unchanged at FFr 10.7950. Its Bank of England trade-weighted index fell to 90.7 from 91. Page 15

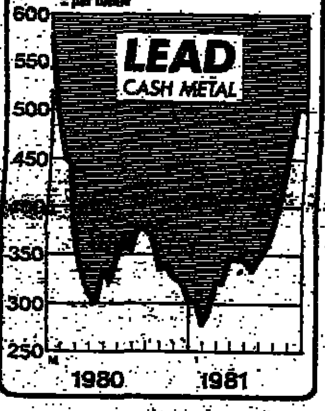
● DOLLAR improved to DM 2.5205 (DM 2.5060), SwFr 2.1875 (SwFr 2.1800), and FFr 6.005 (FFr 5.9740). It fell against the yen closing at Y239.9 (Y240.800). Its Bank of England trade-weighted index was 114.5 (114.4). Page 15

● GOLD rose $3 in London to close at $395½. In New York the Comex August close was $402. Page 15

● EQUITIES finished below their best. The FT 30 share index added 2.4 at 534.4. Page 20

● GILTS recovery was reversed after sterling's reaction against the dollar. The Government Securities Index was up 0.03 at 64.3. Page 20

● LEAD prices broke through £500 a tonne for the first time since March last year. Cash lead



closed £11 up at £502 a tonne encouraged by further U.S. price increases. Page 19

● WALL STREET was up 0.38 at 953.96 near the close. Page 18

● BORROWING by the public sector was a record £6.77bn between April and June. Back Page

● FRANCE'S Treasury plans a reflationary budget deficit of about FFr 100bn (£9.25bn) next year. Back Page

● JIM RAPER, Far East financier, accused the Takeover Panel of deliberately blackening his name over the Saint Piran affair.

● UK CAR OUTPUT last month reached its highest level for more than three years. Page 5

● SHELL and ESSO seek £50m damages from three Norwegian companies for alleged welding defects in pipes on a North Sea oil production platform. Back Page

● BL is to sell its plant at Blackheath, near Capetown, the larger of its two assembly plants in South Africa, to the Sigma Company for £8.5m. Back Page

● LETRASET is to maintain its dividend as its main weapon against the bid from Mills and Allen International. Page 14; Lex, Back Page

● HOOVER announced a taxable deficit of £6.08m for the first half of 1981 compared with a profit of £1.56m. Page 12; Lex, Back Page

● LADBROKE, leisure and property group, is raising £26.4m in a one-for-six rights issue at 131p a share. Page 12, Lex, Back Page

● GALLAHER, U.S. owned tobacco group, raised its bid for Ofrex, UK office supplies and industrial products group, by 10p to 170p a share, valuing Ofrex at £33.8m. Page 13

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Assod. Tooling	62	+ 4
Barclays Bank	450	+ 14
Boots	231	+ 7
Bridon	74	+ 4
Dixons Photographic	176	+ 7
Dowty	247	+ 7
Green's Economiser	134	+ 7
Hambros Bank	870	+ 45
Heath (C. E.)	303	+ 11
Horizon Travel	264	+ 9
Howden (A.)	134	+ 6
Jones Stroud	82	+ 7
Mercantile House Nil paid	158pm	+ 29
Minet	148	+ 10
Monk (A.)	50	+ 5
Moss Engineering	87	+ 7
Muirhead	106	+ 6
Ofrex	164	+ 4
Relyon (PBWS)	121	+ 9
Rothmans Intnl.	78	+ 4½
Sheffield Brick	49	+ 9
Thames Invs.	200	+ 15
Thorn EMI	464	+ 5
Whittingham (Wm.)	166	+ 10
Shell Transport	398	+ 8
Anglo Amer. Gold	£43¼	+ 1¼
Anglo Amer. Inv.	£46	+ 1½
Charter Consd.	270	+ 13
Harmony	709	+ 46
Impala	393	+ 35
Libanon	821	+ 47
Minorco	670	+ 113

FALLS		
Avana	268	− 7
Brit. Sugar	322	− 8
Centreway Trust	100	− 10
Hoover A	107	− 5
ICL	27	− 3
Ladbroke	156	− 7
Phoenix Timber	102	− 6
Standard Chartered	648	− 14

Ministers urged to set up closer links with nationalised industries

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A RADICAL overhaul of the relationships between Government ministers and nationalised industries has been proposed in a private report prepared for the Prime Minister by the Central Policy Review Staff, the Downing Street "think tank."

The report suggests that the Government's twin roles as the industries' owner and banker should be clarified. It is thought to recommend that new committees of ministers should be set up to cover specific groups of nationalised industries.

Sharp criticisms are made of the low level of constructive communication and understanding between Whitehall and the industries. The report is believed to tell ministers bluntly that their original hope of having an "arms-length" relationship with the industries is totally unrealistic.

The report is being considered by the Prime Minister, who is likely to make an announcement about any changes later this year. There are no plans for the report's publication it is understood.

The proposals will be being studied by the Government at the same time as ministers review financing arrangements for the industries investment plans. A report being published next week by the Treasury Select Committee will propose that the Treasury should compromise on its battles with the industries over cuts in investment programmes, by giving the go-ahead to about £500m of projects being held up.

The think tank report was commissioned in the spring by the Prime Minister, who was concerned about the deteriorating relationship between the Government and the industries. Mr Robin Ibbs, head of the think tank, was asked to complete the report by the end of July and he is thought to have delivered his work on time.

Trade union power is examined, both in the traditional area of industrial relations and in the way unions can try to influence business decisions.

But the basic problem is identified as the industries' knowledge that the Government cannot afford to let them go bankrupt, which means they are insulated from market forces.

The frequent clash between ministerial interest in the political and business aspects of the industries is also considered. The broad solution the report is believed to put forward is that ministers should set clear objectives, then keep clear of the way the businesses are run.

This, it is thought, could be done by the Treasury concentrating on its basic role as the industries' banker, keeping its distance for most of the time in the way merchant banks behave in the private sector.

Small committees of ministers would then be appointed to oversee groups of industries, exercising the ownership role carried out in the private sector by holding companies. These groups might be organised in broad sectors—covering areas like energy or transport—or could be divided into those which provide public services and those which trade internationally.

Crisis talks in Paris as Iran holds up flight

BY DAVID WHITE IN PARIS

THE IRANIAN authorities yesterday prevented the departure from Tehran of 62 French nationals providing a further sign of the serious deterioration in relations between the two countries.

M Francois Mitterrand the French President held five hours of talks with his advisers yesterday over the crisis which was caused by France granting asylum to Mr Abolhassan Bani-Sadr, the deposed Iranian president.

M Mitterrand has cancelled a trip away from Paris to keep up with the latest developments. A senior French Foreign Ministry official left on Wednesday for talks with the Iranian authorities.

Iranian intentions remain unclear, but it seems unlikely that the clerical leadership, under Ayatollah Khomeini, will risk a confrontation similar to that when Iran seized U.S. diplomats in November 1979. Nevertheless, there is concern in France over the fate of about 140 French nationals still in Iran.

The French authorities said yesterday that the Iranian authorities had indicated that they planned to fly the French nationals out on two scheduled Iran Air flights on Monday and Wednesday.

The French citizens detained were prevented from boarding a scheduled Air France Boeing 747 flight to Paris yesterday morning. The official explanation for holding them was that they did not have documents to confirm they had no outstanding debts.

After a 3½ hour wait at Tehran, the aircraft took off and flew back to Paris.

The worsening of the situation was precipitated by M Mitterrand's decision to recall the French Ambassador for consultation after anti-French demonstrations in Iran. French citizens were urged to return home leaving only a skeleton staff at the embassy.

According to the French authorities the ambassador, M Guy Georgy, and a special Foreign Ministry envoy arranged exit visas for all those concerned on Wednesday. Iran later announced it was expelling the ambassador.

Talks were held with Iranian Foreign Ministry officials yesterday on exit conditions, and the Iranian charge d'affaires in Paris was called in for urgent discussions.

Commercial relations at low ebb, Page 4

Barclays profits up 14.7% on last half-year

By William Hall, Banking Correspondent

BARCLAYS BANK, Britain's biggest and the seventh largest bank in the world in total assets, made pre-tax profits of £280.3m in the first six months of this year. The profits are virtually unchanged on the comparable period of 1980, but 14.7 per cent up on the second half of last year.

Barclays is the last of the Big Four clearing banks to report its interim figures, and has managed to maintain profits in a period when interest rates fell by about a quarter and its domestic loan volume has stagnated.

The stock market had expected a drop in Barclays'

THE BIG FOUR BANKS' PROFITS

	Interim pre-tax profits £m	% change on year before
Barclays	280.3	†
NatWest	197.0	(−12.4)
Midland	104.5	(−16.1)
Lloyds	174.7	(−20.6)

At the end of 1981 the bank's assets were: Barclays £37.1bn, NatWest £34.6bn, Midland £25.3bn, Lloyds £19.9bn.

† Virtually unchanged.

profits, and the shares rose 14p to 450p, just 5p from their year's high.

Profits of Barclays Bank Ltd, the domestic clearing bank, fell by an eight to £141.2m compared with the first half of last year. The profits of Barclays Bank International, which account for 37.5 per cent of total profits, rose by over a fifth to £113.5m.

Mr Timothy Bevan, who took over as chairman in April, said yesterday that "the improved performance, compared with the immediately preceding half-year, was due to lower charges for bad and doubtful debts and widening in the margin between base and deposit rates.

The group's net interest income rose by 14 per cent, compared with the first half of last year. Other income, reflecting higher bank charges and fees, rose by 23 per cent to £275m.

Overhead expenses rose by a quarter to £752.5m, partly due to weaker sterling which had

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£ in New York

	Aug. 5	Previous
Spot	$1.8080-8100	$1.6050-604
1 month	0.75-0.80 pm	0.90-0.97 pm
3 months	2.15-2.25 pm	2.30-2.40 pm
12 months	6.25-6.45 pm	6.50-6.70 pm

Big companies 'should monitor race of workers'

BY LISA WOOD

LARGE COMPANIES were urged by an all-party group of MPs yesterday to "give serious consideration to ethnic monitoring" of employees.

The recommendation comes in a report on racial disadvantages from the Commons Home Affairs Committee published in the wake of the serious disorders in Britain's cities although the committee began its investigations in May last year and finished taking evidence in March.

The committee is strongly critical of the Home Office for failing to give leadership to Government departments in tackling the problems of minority racial groups. In all, it makes 57 proposals which it describes as "incorporating an order of priorities which we sense is lacking within Government at present."

Its main recommendations include:

● Vigorous Home Office leadership of a new formal committee for inter-departmental co-ordination of Government policies for combatting racial disadvantage.

● Voluntary monitoring by large employers of the ethnic origin of employees and similar steps by local authorities serving areas with large black populations.

● The particular needs of ethnic minority businesses should be considered by administrators of the Government-sponsored small business loans scheme.

● Banks should satisfy themselves that managers are making decisions on business loans to West Indians in particular, on purely commercial criteria.

● Specialised training for all teachers enabling them to perform effectively in a multi-racial classroom.

● Reform of the financial support system, designed to aid ethnic minorities, under section 11 of the Local Government Act, 1966.

The latter at present covers Government financial help to projects for Commonwealth immigrants in the UK for less than 10 years and is the only instrument through which Government money can be specifically earmarked to combat racial disadvantage.

The sub-committee which prepared yesterday's report earlier this year visited Liverpool, scene of the worst of the recent rioting, and three other cities before the disturbances.

In a section of the report written before the riots, the committee states: "Racial disadvantage in Liverpool is in a sense the most disturbing in the United Kingdom because there can be no question of cultural problems of newness of language, and it offers a grim warning to all of Britain's cities that racial disadvantage cannot be expected to disappear by natural causes."

The only recommendation on which the committee is not unanimous is the call for racial monitoring by employers.

Two Conservative members—Mr George Gardiner, MP for Reigate, and Mrs Jill Knight, MP for Edgbaston—said in a dissenting statement that such a move would open the door to pressure on employers to lower entry and promotion standards in favour of certain ethnic groups.

They said that would be a move towards positive discrimination in favour of blacks, which would run counter to "our traditional even-handed approach to British citizens regardless of the colour of their skin."

Racial equality: MPs 57-point charter, Page 11

Foot pledges support for mass rally in Liverpool

BY IAN HAMILTON FAZEY IN LIVERPOOL

MR MICHAEL FOOT, the Opposition leader, last night pledged his support for a mass rally next week in Liverpool. Its principal aim is call for the removal of Merseyside's Chief Constable, Mr Kenneth Oxford.

Mr Foot, who spent the day meeting local leaders, and visiting the Toxteth riot areas, refused to comment on the implications of his support far the "sack Oxford" campaign on Merseyside. He would not be drawn on whether he would support such a move.

He said: "I am very disturbed by some of the accounts that have been given about police-community relations. I am going to report to the Home Secretary himself on my views, and that's the right way to go about it."

Mr Foot will not attend the rally, which is planned for tomorrow week and will also be a protest against unemployment. As such, it could be regarded as a continuation of last November's mass demonstration in Liverpool against unemployment, at which Mr Foot spoke.

After the visit of Mr Michael Heseltine, Environment Secretary, to Merseyside, Mr Foot said: "All that he has done is to offer a few bandages. What we want is a cure for the disease."

According to Mr Foot, however, Labour backed the TUC's policy document on regenerating inner cities, which would cost £700m to implement in its first year. That was the scale of expenditure that had to be faced, he said, and "Labour would find the money for it."

Mr Heseltine yesterday met the Prime Minister to put forward his preliminary views on what measures he thought should be adopted in inner cities after his investigations in Liverpool. He will distill his views over the next month and is expected to put a package of proposals to the Cabinet in September.

New Zealand buys U.S. butter

BY RICHARD MOONEY IN LONDON AND DAI HAYWARD IN WELLINGTON

NEW ZEALAND, the world's leading butter exporting country, has bought butter worth £85m from the U.S., it was announced yesterday.

The purchase was forced on New Zealand by fears that the butter, about half the American surplus, would otherwise be thrown on to the world market, creating chaos for New Zealand's butter trade which is crucial to its economy.

The only country which might have taken such a large amount of butter (100,000 tonnes) for its own use was the Soviet Union, which is expected to need to import about 200,000 tonnes in hte next year. But for political reasons the U.S. State Department rule out sales to Moscow.

The New Zealand Dairy Board, which negotiated the purchase, agreed that none of the U.S. butter would be resold to Moscow. But there is nothing to prevent it selling its own butter to the Soviet Union and filling the gap created on other markets with the U.S. imports.

The U.S. Commodity Credit Corporation, which accumulated the surplus stock under the government's milk price support programme, is selling the butter to New Zealand for about half what it paid U.S. producers. The price is also about 20 per cent below the world market level.

As the butter is up to three years old and not suitable for sale on the consumer market, the New Zealand board plans to convert it into butter oil, used for reconstituting milk powder.

Announcing the deal Mr Ken Mehrtens, the board's chairman, said it had been invited by the Americans to consider how the U.S. could dispose of surplus butter. "We accepted the invitation in self-defence," he admitted.

Mr Brian Talboys, the New Zealand Overseas Trade Minister, said the government had been closely consulted at all stages of the negotiations. "We trust there will be no call to repeat the exercise," he said, "it was an exceptional step to meet an exceptional situation."

He hoped the U.S. authorities would adopt responsible policies which did not encourage the production of surpluses which could not be disposed of on the international market without a heavy subsidy.

In Washington Mr John Block, the U.S. Agriculture Secretary, said the deal offered the best course for reducing Commodity Credit Corporation

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EUROPEAN NEWS

Solidarity leader Lech Walesa (left) in relaxed mood before yesterday's talks, with Mr Janusz Obodowski (centre), who heads a special anti-crisis commission, and Deputy Prime Minister Mieczyslaw Rakowski.

Widespread strikes threat hangs over Polish talks

BY LESLIE COUTT IN WARSAW

FACTORIES THROUGHOUT Poland were completing strike preparations yesterday as the Government and Solidarity, the independent union, held critical talks on how to deal with critical food shotages.

Both sides in the talks, taking place in Warsaw, were awere that a collapse in negotiation would mean a wave of labour unrest not seen since the four-hour general strike in March. However, the prospects for anything more than an agreement to continue talking apepared slim.

Solidarity headquarters in three Polish Baltic seaports Gdansk said dockworkers in the were prepared to stop loading all ships in protest against what they said were continued food exports. In Silesia, about 90,000 workers, including coal-miners, decided to strike for four hours today if no agreement was reached.

Strike alerts were proclaimed by Solidarity branches in the Poznan and Katowice regions and there was a two-hour warning strike in Kielce. More protest marches over the lack of food were planned in Olsztyn and Zielona Gora.

The government side at the talks, represented by Mr Mieczyslaw Rakowski, the Deputy Premier, hoped to win Solidarity's active co-operation in moving food into the shops. The union countered that it could only appeal to farmers to stop boycotting deliveries of meat to state stores when the farmers were paid higher prices.

In addition, the union argued that the Government would have to abandon its decision to cut meat rations by 20 per cent and the ration to 3½ kg a month.

Solidarity leaders stressed that before the union assumed any further responsibility for alleviating the food crisis, the Government would have to agree to radical economic reforms including workers' self-management of factories.

This has been resisted firmly by the authorities as it would mean a loss of influence for tens of thousands of middle-rank party officials and a further erosion of political control by the party. It is strongly felt here that opposition from within the Polish party has been at least as important in preventing genuine economic changes as resistance from the Soviet Union.

AP adds: The Polish Communist Party yesterday postponed until Tuesday a meeting of its 200-strong central committee. It agve no reason for the decision. The announcement of the meeting earlier this week was seen as a sign of the grave concern over the food crisis.

Poehl more hopeful on W. German economy

By Roger Boyes in Bonn

WEST GERMANY'S current account deficit this year will be "somewhat smaller" than last year's figure of DM 28.1bn (£6.1bn), the highest deficit among the Western industrialised nations.

By mid-1983, the imbalance will be substantially reduced providing there is no new oil price explosion, Herr Karl Otto Poehl, President of the Bundesbank, Germany's central bank, believes.

Herr Poehl's views, expressed in a wide-ranging interview published in the Die Zeit newspaper yesterday, together with new economic data and a report from the IFO Economic Research Institute, suggest West Germany is beginning to see an improvement in its current account deficit, but that an economic recovery before mid-1982 is unlikely.

The Bundesbank president bases his views on the noticeable deceleration in the growth of the deficit so far this year.

Exports surge

In the first quarter of 1981, said Herr Poehl, the deficit was about DM 10bn, seasonally adjusted, but in the second quarter the current account deficit was DM 5bn.

The root of this improvement lay in a better trade balance, and particularly a significant surge in exports.

Industrial order figures for June support this view. In value terms, combined May-June overseas orders are 6.5 per cent ahead of the same period last year, and 1.5 per cent in volume terms.

June export orders also registered an improvement over May, though the total is still some way behind the April figures which, boosted by the booking of large orders especially from oil-producers, were particularly high.

While exports to Opec have gone up radically—by 23 per cent in April-May compared to February-March, according to Herr Poehl—the weakness of the D-Mark against the dollar has increased the oil import bill.

Despite a 12 per cent drop in oil consumption during the first half, West Germany has had to pay out about DM 20bn more for its energy needs than in the equivalent period last year.

Added to this, says Herr Poehl, are a continuing high level of tourism abroad, which will result in an estimated outflow of DM 40bn this year, increased payments to the European Community and about DM 7bn transferred abroad by foreign workers.

Mark defence

This, he says, means there will be no radical turnaround in the current account in 1981, despite the improved exports.

Herr Poehl also revealed that the Bundesbank has spent about $3.5bn from its reserves so far this year defending the D-Mark against the rising dollar.

The IFO institute predicts that exports will slow over the next few months, then pick up again strongly later in the year. Certainly on a year-on-year basis, exports will show a powerful increase because of the comparatively low level in the second half of 1980. But the IFO has a generally pessimistic view of domestic demand over the next six months.

It expects only a mild recovery by mid-1982—by no means as strong as after the 1974-75 recession — with a return to strong growth in 1983. Unemployment will continue rising until the second half of 1982 it says—leading to an annual average of 1.5m — significantly above the Bonn estimate of 1.3m.

Provided that the exchange rate stabilises at DM 2.25 to the dollar, consumer price inflation should slacken from 5.5 per cent in the first half to under 4 per cent in the second half of 1982. The current deficit should drop below DM 20bn.

Irish new-jobs claims cast in doubt

BY STEWART DALBY IN DUBLIN

IRELAND'S main agency for creating manufacturing jobs has fallen seriously below target during most of the past 10 years, according to a report by Government consultants. Only 30 per cent of the jobs approved by the Industrial Development Authority (IDA) between 1970-78 actually exist now, says the Telesis Consulting Group, a U.S.-based management consutancy, in a study commissioned by the Irish Government.

Their report, which has been leaked and pubished in the Dublin monthly, Irish Business, has been submitted to the National Economic and Social Council.

This semi-state body, which includes government officials, businessmen and academics was charged by Mr Charles Haughey, the previous Prime Minister, with investigating industrial development strategy in Ireland.

The Telesis report says that of the 96,000 jobs which IDA approved between 1970 and 1978 only 28,900 now exist. Companies have either never reached their employment targets or have been unable to sustain them.

The IDA has always maintained that the ratio between jobs approved and created is about 60 per cent. Spokesmen for the authority yesterday declined to comment on the magazine article. They maintained, however, that 40,000 new jobs have been created in the past three years and pointed out that there has been considerable confusion over job approvals and job creation.

Last year for example, the IDA approved (its own terminology) projects which could mean 35,000 new jobs within the next five years.

The authority this year has a budget of Ir£200m (£160m), which accounts for two-thirds of state investment in industry, and has been responsible for between one-third and one-half of the jobs created in manufacturing industry in the past 15 years.

Mr John Kelly, the Minister of Industry, was reported as saying yesterday: "I cannot comment on the report but I will be studying it as a matter of urgency."

The Irish Business article says Telesis claims that the IDA pays too much in capital grants. It says that companies have said to Telesis that the deal offered to them byt he IDA is "too good to believe" and "a real steal". A main recommendation of the report is that capital grants be cut in half.

A correspondent in Dublin sees the Government on a knife-edge

Honeymoon over for Fitzgerald

GOVERNMENTS ARE traditionally supposed to have a honeymoon period, usually reckoned to be about 100 days. Dr Garrett FitzGerald, the new Irish Premier, could be forgiven for wondering what happened to his. By any generous estimate, it lasted less than a month.

It is just six weeks since Dr FitzGerald came to power at the head of a coalition between his own Fine Gael party and the Labour Party, with a two-seat majority over the opposition Fianna Fail Party and relying on the uncertain votes of independents for a working majority.

Today the new Prime Minister faces the worst crisis in Anglo-Irish relations since Bloody Sunday nine years ago, an economic crisis whose dimensions the electorate seems unwilling to face and troubles within his own party because of his choice of Cabinet Ministers.

The only relief is that the Dail (the Irish Parliament) is in recess until October, at least allowing Dr FitzGerald to get on with the business of Government away from the hurly-burly of endless knife-edge votes.

That edge could become all the sharper with the death in the Maze Prison of Mr Kieran Doherty, the H-Block hunger striker who was elected to represent the border constituency of Cavan-Monaghan last June. Another prisoner, Mr Paddy Agnew, was elected to a seat in nearby Louth. He is not on hunger-strike but could resign his seat if the H-Block campaign, or the IRA, thought it in their interests for him to do so.

While the Irish Government has all too practical a reason for wanting to see the hunger-strikes ended, however, it would be unfair to suggest that parliamentary considerations are the major force behind Dublin's earnest desire for a settlement.

Six months ago, the idea that an Irish government would issue expressions of sympathy on the deaths of known IRA men would have been unthinkable. But that is what Dublin ministers now feel they have to do with each hunger-strike death, although many are uncomfortably aware of the polarising effect on Unionist opinion

When Mr Doherty died, the flag on Leinster House, where the Dail sits, flew at half-mast — though the government made it clear that this traditional respect for the death of an MP was nothing to do with them. A Fianna Fail MP was present at Mr Doherty's funeral, despite the IRA trappings of the occasion.

There have been more terrorist outrages south of the border this year than in any since the troubles began in 1969. The Republican sympathies of most people in the South have long been compromised by revulsion at the tactics of the Provisional IRA. But the sight of men voluntarily choosing death has awakened an emotional response which Ireland's politicians feel they cannot ignore.

The problems facing the new Dublin Government leave Dr Garrett FitzGerald (left), the Irish Prime Minister, with little room to develop a positive strategy as he struggles to manage an economic crisis in the shadow of the IRA hunger strikers' confrontation with Westminster.

There are perhaps three major concerns in Dublin about the effects of a prolonged continuation of the hunger strikes. Security — and political co-operation between the Irish and British governments, now regarded as good—could be theatened. The tortuous search for a political accommodation in Northern Ireland could be completely doomed. And the republic itself could be de-stabilised—particularly if a general election had to be called before the end of the crisis.

It is this latter possibility which is thought to be one of the strongest arguments used by Provisionals in favour of continuing the fasts. Successes in a general election, they argue, could possibly win them enough seats to hold the balance of power in the Dail.

Meanwhile, there is no possibility of a by-election in Cavan-Monaghan before the end of this year, and perhaps not before early 1982. It seems inconceivable that the prisoners and their relatives can contemplate a succession of deaths until then—though there are undoubtedly Provisionals who would support such a sustained campaign.

Recent signs of a weakening resolve among the relatives of the hunger-strikers may convince Mrs Thatcher, the British Prime Minister, that she can win the battle of wills at the Maze Prison. In security terms, on the streets of Belfast and Londonderry, it appears that she can. But even an unambiguous victory for Mrs Thatcher, unless it comes very soon, could be too late for Dr Fitzgerald.

He cannot adopt the classic strategy of democratic governments faced with a tiny majority —a few months of popular government followed by a dash to the country for a more effective mandate. The state of the economy—especially the state of the Government's own finances—have already forced him to bring in an emergency budget within weeks of taking office.

Faced with a government deficit which, according to Dr FitzGerald, could have reached I£1.9bn (£1.52bn) if left unchecked, his government has introduced a range of taxes which will add 2 per cent to the cost-of-living this year, lifting the rate of inflation for the year to over 20 per cent.

More than I£300m (£241m) was lopped off Government spending and a freeze was declared on public sector employment. All this, combined with a series of increases in employee contributions and an end to subsidies on mortgages, electricity charges and transport fares will, by some estimates, cost the average Irish family about I£1,000 (£800) a year.

As yet, there are few signs that the same average family recognises the need for such measures, even though they will reduce the opening deficit for next year to I£1bn (£800m). More of the same can be expected in next January's budget.

As if all this were not enough there are many who argue that Dr FitzGerald has made additional trouble for himself with the selection of his cabinet. His Foreign Minister-designate—Prof James Dooge—did not stand in the general election. His Agriculture Minister and a Minister of State were appointed on their first day as MPs. The Premier may argue that he has simply picked the best talent available—but there is a strong tradition in Irish politics that portfolios should take account of geography and electoral success.

There are few observers in Dublin who now fancy the coalition's chances if it were to be forced into an early election. But the chances of avoiding one are perhaps not as slim as might be assumed.

The worst scenario, from the government's point of view, would be by-elections in both the Cavan-Monaghan and Louth constituencies and wins for Fianna Fail in both. The government is still thought to have an outside chance in Cavan-Monaghan, however, and Mr Agnew might not give up his seat in Louth.

Even if Fianna Fail captured both seats, moreover, the coalition would not automatically be doomed. It could still carry on with the support of independent MPs who are uncomfortably aware that, in the event of another election, they would probably be swept away.

The brightest outlook for the government would be a settlement of the hunger-strike for which it could take some credit. It can be little comfort to Irish ministers that the power to reach such a settlement still rests more in Downing Street than in Merrion Road.

Norway freezes prices, cuts tax

BY WILLIAM DULLFORCE, NORDIC EDITOR

THE MINORITY Labour Government in Norway yesterday froze all domestic prices until the end of the year and cut income tax slightly.

This is the second time in three years that it has clamped down on prices. The motive this time was that the consumer price index was about to cross the threshold which would lead to extra wage increases, according to Dr Gro Harlem Bruntland, the Prime Minister.

Those increases would have undermined further the competitiveness of Norwegian industry, whereas the new measures should improve the competitive outlook for manufacturers, she said.

The inflation rate has been running consistently above the average in Norway's main trading partners. Heavy public spending, the policy of maintaining full employment and the effect of high wages paid for offshore oil work have all been blamed.

After a 15-month prices and wages freeze ended on January 1, 1980, the 12-month inflation rate accelerated from 5 per cent to 15.2 per cent in January this year.

Dr Bruntland said the current rate was 13.7 per cent but still well ahead of the 11-12 per cent target for 1981 for which the Government had budgeted and on which current pay agreements are based.

Tax on income up to NKr 100,000 (£8,850) a year has been cut by 0.5 per cent and up to NKr 150,000 by 0.3 per cent.

Yesterday's measures will be voted on by Parliament after next month's general election. Depending on the outcome of the poll, it could possibly decide to end the price freeze.

The claim that the freeze and tax cuts will boost the competitive position of Norwegian industry relies on two assumptions. They are that the krone's value remains stable and that the labour court dismisses the trade union federation's case against a state wages board decision restricting "wage drift" to NKr 1.50 an hour this year.

Denmark's long debate on defence comes to a head

BY HILARY BARNES IN COPENHAGEN

DENMARK'S MINORITY Social Democrat Government and the opposition begin a crucial round of talks on defence spending today. The outcome will decide whether 20 years of all-party support for defence budgets can be maintained.

The defence debate has been continuing for more than a year, since the Government proposed that spending for the four years to 1985 should be frozen in real terms. The Liberals and Conservatives claimed this would cause a serious erosion of defence capability.

The Government has since put forward proposals to increase spending by about DKr 80m (£5.6m) a year, or about 1 per cent in real terms. This year's defence budget totals DKr 8.1bn (£566m).

The opposition parties are still not satisfied, however, and point to the North Atlantic Treaty Organisation commitment to a 3 per cent annual rise in spending. The Government's room for manoeuvre, however, is severely limited by dissension on defence within the Social Democrat Party.

● A Soviet cruiser of the Sverdlov class and two missile-carrying Krivak class frigates passed through the Danish Straits into the Baltic yesterday. It is presumed that they will join about 40 other vessels from the Soviet Black Sea, North Atlantic and Baltic fleets which are assembling for what Danish military observers describe as the biggest exercise of its kind ever held in the Baltic.

Among the vessels are landing craft with a capacity for transporting 8,000 men with armoured support vehicles.

Italy increases economic aid to Somalia

By Rupert Cornwell in Rome

ITALY WILL step up its aid to Somalia under an agreement to provide the impoverished East African nation with L230bn (£102m) in grants and soft loans over the next three years, coupled with a separate L75bn financing agreement.

The agreement, signed in Mogadishu by Sig Emilio Colombo, Italy's Foreign Minister, was the most tangible outcome of his three-day visit to Somalia.

Food aid to Somalia will also be increased. As a first step emergency shipments will rise by 50 per cent to 15,000 tonnes.

During his trip Sig Colombo did not conceal his pessimism about prospects for an early solution to the dispute over the Somali - populated Ogaden region of Ethiopia, which has divided Somalia and Ethiopia since 1977.

Almost 1m refugees from the Ogaden are adding to the Somali Government's enormous problems.

Communist takes wheel of Paris transport

BY DAVID WHITE IN PARIS

THE FIRST Communist to head one of France's big public-sector companies has been appointed chairman of the Paris transport authority, the RATP.

By appointing M Claude Quin, a 49-year-old Marxist economist, the Government has bowed to the preferences of M Charles Fiterman, the Transport Minister and the senior of the four Communists in the cabinet.

The appointment is indicative of the Communist Party's determination to use the present government alliance to gain leverage at other levels of the administration.

The new men in charge of the French capital's heavily-subsidised network of 15 underground lines, two high-speed through-lines and 215 bus routes said his arrival marked "a break with the previous practice of discrimination."

M Quin, an expert in the distribution trade, worked with M Fiterman in the economic section of the Communist Party's central committee and up to now, has been editor-in-chief of Economy and Politics, a party-orientated magazine.

He stood for Parliament in June for a Paris constituency but had to back down in the second round in favour of a Socialist candidate. His appointment is evidently a welcome move for the Communist-led CGT union, which has established a dominant position among the RATP's 36,000 employees.

The Government has chosen a man far closer to the centre, however, for the state-controlled SNCF rail network. M André Chadeau is one of the few top figures to have made the transition from President Valery Giscard d'Estaing's administration to the current one.

Formerly head of the DATAR regional development board, a body now superseded by the much more ambitious regional policies of the Mitterrand Government, he was taken on as an adviser by M Pierre Mauroy, the Prime Minister.

He doubtless owes his latest appointment as chairman of the loss-making SNCF to his previous job as Prefect of the Nord-Pas de Calais region, M Mauroy's own political fief.

Completing a batch of changes in top state-enterprise posts, the Government has removed M Gerard Théry from the powerful Direction Générale des Télécommunications where the previous Administration gave him a large and controversial degree of power.

Regarded as a state within a state, and ranking as the country's biggest profit-making concern, the DGT has been the vehicle fro France's all-out effort in the field of *télématique*, using the combined potential of television, telecommunications and computers.

While the Government has carried on with the schedule of trials in this field, the appointment of M Jacques Dondoux, a Socialist with a similar background to M Théry's, is seen as heralding a more cautious and less high-handed approach.

Balsemao critics attacked by influential party body

BY DIANA SMITH IN LISBON

THE POLITICAL Commission of the ruling Portuguese Social Democrat Party has criticised party members for trying to force the resignation of Sr Francisco Balsemao, the Prime Minister.

Sr Balsemao is to meet his party's National Council tomorrow before calling for an extraordinary congress in September. The Commission, which is highly influential in determining party policy, has attacked members for their "total disregard for democratic procedures" in their opposition to the Prime Minister.

The Social Democrat rebels have recently shown a tendency to ally themselves more closely with the Christian Democrats, the smaller party within the governing coalition, than with their party colleagues. Sr Diogo Freitas do Amaral, the Christian Democrat leader, last week backed Sr Balsemao's opponents and called on him to resign.

Sr Amaral is understood to have turned down the offer of the post of Speaker in Parliament as long as President Antonio Ramalho Eanes remains in office.

The Prime Minister has recently been winning back support, following his strong attack on members of the coalition whom he accused this week of "intrigue and indiscipline."

As a result, Christian Democrat Ministers have tempered their criticism of Sr Balsemao.

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OVERSEAS NEWS

Sadat 'cancels visit to Austria'

BY JAMES DORSEY

PRESIDENT ANWAR SADAT has cancelled his visit to Austria for security reasons, it was reported yesterday by the semi-official Cairo newspaper Al Ahram.

The newspaper said the decision was taken after the Austrian Government explained to Egyptian officials "the dimensions of a large conspiracy against Chancellor Bruno Kreisky."

For Dr Kreisky, who has assumed a significant role in moves towards a Middle East peace settlement, the cancellation of the visit would be a hard blow. In fact, fears for Mr Sadat's own safety seem to have been the major reason for calling off the visit.

There are suggestions that a plot to assassinate Mr Sadat had been devised by a Palestinian renegade terrorist and blessed by the Syrian Government. The purpose appears to have been nothing less than to change the pattern of relationships in the Middle East and kill the peace process.

Paradoxically, the Palestine Liberation Organisation (PLO) appears not to have been a party to the conspiracy though its representative in Vienna is suspected by Austrian authorities of having been involved.

Cairo must have been alerted to the dangers facing Mr. Sadat when two Arabs of Palestinian origin were arrested at Vienna airport last week after their luggage had been found to contain one submachine-gun, four rifles, grenades and over 500 rounds of ammunition.

Mr Ghasi Hussein, the official PLO representative, was waiting to meet them. At the trial, Mr Ahmed Khaled Issa, who carried an Iraqi passport, was convicted and given a nine-month suspended sentence before being expelled. Mr Ali Mohammed Hamid, who carried South Yemeni papers, was acquitted for lack of evidence but also had to leave the country immediately.

Mr Hussein has protested his innocence. "I have nothing to do with this affair," he says. He represents himself in Press interviews as the victim of an internal struggle. But the Austrian Government is not happy, to say the least, with his continued presence in Vienna. Mr Erwin Lanc, the Austrian Minister of the Interior, said: "This has severely strained confidence in the PLO representative and I can only imagine it will lead to his recall by the PLO."

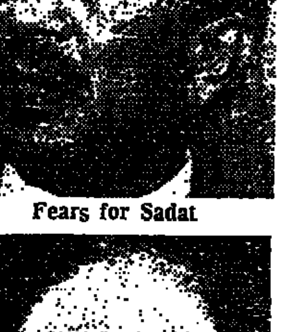
The official, albeit unstated, attitude is that the PLO leadership must prove its innocence by withdrawing Mr Hussein. The PLO will probably do so because of the importance it attaches to recognition and, in particular, to Chancellor Kreisky's sympathy.

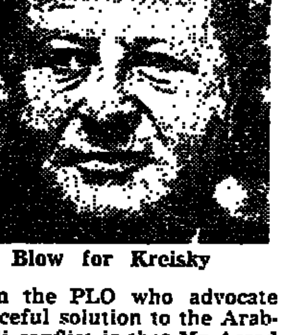
Privately, the Austrian authorities are satisfied that the Palestinian renegade terrorist, Abu Nidal, and not the PLO, was behind the attempt to smuggle arms into the country. According to aides of Mr Yasser Arafat, the PLO chairman, Mr Hussein was appointed to the post 16 months ago on Syrian insistence and belongs to the Damascus-sponsored Saiqa guerrilla group rather than the mainstream Fatah organisation. Abu Nidal was condemned to death by the PLO in absentia in 1974. Until about two years ago the base of this mastermind of terrorism was Baghdad. Many of his operations—like the attempts on the life of Mr Abdul Halim Khaddam, the Syrian Foreign Minister—were directed against Iraq's bitter Baathist rivals in Damascus. But he is known now to be backed by the Syrians.

On May 1, Herr Heinz Nittel, a Vienna municipal councillor, well known for his links with Israel, was murdered. A pamphlet claiming responsibility on behalf of Abu Nidal, was deposited on the following day in the mail box of the Austrian Embassy in Damascus.

The affair has brought to the surface the growing friction between Syria and the PLO. Its essence could be summed up by a remark attributed to Mr Arafat at a closed session of the last Palestine National Council in April. "When President Assad said to me that Palestine is south Syria, I remind him that Syria is north Palestine."

The fear among moderates within the PLO who advocate a peaceful solution to the Arab-Israeli conflict is that Mr Assad opposes the creation of any independent Palestinian entity not under his control. Now they and Mr Arafat risk being badly discredited.


Fears for Sadat


Blow for Kreisky

Opec may convene meeting

By Our Foreign Staff

CONSULTATION among members of the Organisation of Petroleum Exporting Countries (Opec) continued yesterday amid signs that an extraordinary conference might be convened to discuss price reunification and production sharing in continuing soft market conditions.

Most members clearly favour holding a meeting which would probably take place in the third week of this month. Vital question marks hang over the attitudes of Libya and Saudi Arabia, however.

In Tripoli, Major Abdesalam Jalloud, the number two man in the Libyan regime, yesterday completed talks with representatives of companies with a stake in operating ventures.

Libya apparently has shown no willingness to reduce its high premiums, or its partners to lift more oil.

Mr Ali Abdesalam Treiki, Libya's Secretary for Foreign Affairs, was in Kuwait on a tour of the Gulf for discussions on the oil market and "the pressure exerted by foreign countries on oil producing states."

It was not known whether he would visit Saudi Arabia which Libya has criticised for producing oil priced at the low official selling rate of $32.

Hitherto Saudi agreement on an extraordinary conference has depended on an assurance that a compromise could be reached on a common basic reference price of $34, compared with the $36 set by nearly all other Opec members.

● Elf-Aquitaine of France was reported yesterday to have suspended oil imports from Iraq in July and cut the intended volume for this month by 50 per cent to 15,000 barrels a day.

Lebanon fighting

BEIRUT — Factional clashes erupted for the third day running in the north Lebanese town of Tripoli yesterday, state-run Beirut Radio reported. At least 20 people were killed and about 40 wounded in fighting between rival militia groups involving heavy artillery and rockets.

Security officials said tank and troops reinforcements of the peacekeeping force had been sent to the city some 40 miles north af Beirut.

A ceasefire was agreed yesterday after 36 hours of violence, but fighting resumed, the radio said.
Reuter

West Bank concern over Sharon

BY DAVID LENNON IN THE WEST BANK

PALESTINIAN leaders in the occupied West Bank are deeply concerned about the new Israeli Government's composition and some believe the inclusion of extreme religious parties will block any possibility of a peace settlement.

The appointment of Mr Ariel Sharon as Defence Minister is regarded as a threatening omen, given his record of land expropriation for his Jewish settlement programme in the West Bank in the past four years.

"An overall solution to the Arab-Israeli problem and especially the Palestinian issue is doomed as long as such people are in power," according to Mr Elias Freij, the mayor of Bethlehem.

The West Bank mayors, the only elected Palestinian officials in the occupied territories, already face tighter restrictions. Ten days ago the Israeli military governor of the West Bank told the Palestinian leaders that any contact between them and the Palestine Liberation Organisation (PLO) was banned.

This included banning the transfer of development funds from Arab countries, channelled to the West Bank through a Jordanian-PLO committee in Amman, a ban on contacts with PLO representatives, and a prohibition on any statements of support or identification with the PLO.

Mr Karim Khalaf, the mayor of Ramallah whose leg was blown off by a car bomb last year, said: "After they cut our legs off, now they are planning to cut out our tongues. I am not allowed to say any more that the PLO is the sole representative of our people."

This new policy is seen by the Palestinians as part of an Israeli plan to weaken the power of the popular majors, most of whom support the PLO, in preparation for a resumed attempt to reach agreement with Egypt on Palestinian autonomy

The Israeli military government has been fostering West Bank village leagues which are headed by locals known for their closeness to the military authorities. Many Palestinians fear Israel will try later to bring these men forward as the representatives of the Palestinians.

"But these are just collaborators," one municipal official said. "They have not been elected and even if they sign the autonomy agreement in our name no one will vote for them."

The funds from the Amman joint committee were, the mayors said, the only money for development projects. Without them, many projects will not be implemented or finished.

Mr Khalaf said a municipal sewerage project is two months away from completion. "If we have no funds, then the contractors will not continue the work.

"I told the West Bank military governor that even if he and I have different political opinions, this is no reason to punish the ordinary citizens."

The West Bank municipalities receive $1m-2m (£553,709-1.1m) each annually under an agreement reached at the 1978 Baghdad Arab summit.

Trial of Minister opens

TEL AVIV: Israel's newly-formed Government started work yesterday as the trial opened in Tel Aviv of Labour and Immigration Minister Aharon Abu-Hatzeira on embezzlement charges.

He is charged with using an unspecified sum from a charity fund during the 1970s, when he was mayor of Ramle to pay, among things a babysitter, carpenter and window shutters.

Mr Abu-Hatzeira, Religous Affairs Minister in the previous Government, was cleared of bribery charges in a separate trial in May, but the prosecution says it has a stronger case this time, based on 61 witnesses.

Mr Abu-Hatzeira claimed that he was being persecuted because he is a Moroccan in a European-dominated establishment, and broke away from the National Religious Party to form an ethnic-based movement Tami.

Tami won three seats in the June 30 elections, making it indispensible to Mr Menahem Begin's coalition. If Mr Abu-Hatzeira is convicted, it could bring down the Government.
Reuter

Soviet deputy minister is to visit Pakistan

BY DAVID TONGE

MR NIKOLAI FIRYUBIN, a Soviet deputy Foreign Minister, is to visit Pakistan this month, the first such visit by a top Soviet official since the invasion of Afghanistan.

Announcing the visit, Mr Agha Shahi, the Pakistani Foreign Minister, said Pakistan wanted to develop relations with the Soviet Union. He said Pakistan recently received "assurances" from Mr Leonid Brezhnev, the Soviet President.

The Soviet Union has been complaining that Pakistan is used as a base by guerrillas fighting against the regime of President Babrak Karmal in Afghanistan.

Western diplomats said Moscow may wish to be seen to be talking with Pakistan to head off criticism in the United Nations General Assembly at its debate on Afghanistan in the autumn. Last year 111 countries voted against the Soviet Union. Moscow has rejected an EEC call for a two-stage conference on Afghanistan.

The diplomats said Pakistan was sensible to keep up relations with Moscow when it was negotiating an aid package with the U.S. which could total $3bn (£1.6m) over the next five years. They did not expect major initiatives to unblock the stalemate over political efforts to resolve the Afghan situation.

Sr Javier Perez De Cuellar, the special UN envoy, yesterday flew from Pakistan to Kabul with fresh Pakistani proposals for a settlement which could lead to the withdrawal of Soviet troops.


Agha Shahi: Pakistan wants to develop relations

AMERICAN NEWS

Reagan and Sadat agree on Soviet global threat

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT REAGAN and President Anwar Sadat of Egypt yesterday ended two days of talks in Washington in agreement that the Soviet Union constitutes a growing global danger and that the U.S. should remain a full partner in the Middle East peace process.

President Reagan said the talks had covered three main areas—the threat from the Soviet Union and its surrogates in the near East, South-West Asia and Africa; the need for a resumption of the Egyptian-Israeli negotiations on Palestinian autonomy; and bilateral military relations.

"President Sadat shares our view that a strong economy and a strong defence go hand in hand," President Reagan said. The U.S. has told President Sadat it would like military facilities in Egypt that could be used for staging purposes in an emergency.

President Reagan made no mention of President Sadat's call on Wednesday for the Palestine Liberation Organisation to be brought into the Middle East dialogue. The U.S. position remains that the PLO will first have to recognise Israel's right to exist as a State.

The Egyptian view, however, is that last month's ceasefire between Israeli and Palestinian forces in the Lebanon effectively brought the organisation into the negotiating process

U.S. strengthens support for synfuel development

BY DAVID LASCELLES IN NEW YORK

PRESIDENT Reagan strengthened his previously lukewarm commitment to the development of synthetic fuels this week by approving Federal support of some $3.1bn (£1.7bn) for two major fuel projects.

Plans for the projects were put together under the Carter Administration, which believed the Federal Government should play an active role in developing alternatives to oil and gas. But the plans were delayed as the new Administration tried to sort out its priorities.

The largest project is a coal gasification plant, sponsored by American Natural Resources in North Dakota, which will make about 125m cubic feet of synthetic natural gas from lignite. The Administration will provide $2bn in loan guarantees to get the project under way.

The second is an oil shale venture in Colorado run jointly by Exxon, the country's largest oil company, and Tosco, a large oil shale and refining company based in California. The project is to get $1.1bn in loan guarantees.

Last week, the Administration granted $400m to another oil shale venture run by Union Oil. But this week's grants give a new order of magnitude to its synfuels commitment.

The Reagan Administration's basic energy policy is one of laissez-faire—of allowing market prices to determine which sources of fuel are most economic.

However, the Department of Energy argued strongly that the U.S. should demonstrate its commitment to synfuels, both to encourage domestic activity and to give a signal to the rest of the world that it is serious about substituting oil imports.

Fears grow of Bolivian default

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

FEARS are growing in the international banking community that Bolivia may soon formally default on its external debt obligations.

Bolivian officials recently warned three banks closely associated with the country—Bank of America, Citibank and Deutsche Suedamerikanishe Bank—that the country's reserves were now so low that it would be unlikely to meet a debt service payment of $22.5m (£12.5m) due on October 6.

The warnings were disclosed in a telex sent by Bank of America to other banks with loans outstanding to Bolivia after news of the resignation of President Luis Garcia Meza on Tuesday.

Bolivia was in confusion yesterday as rebels in the south-eastern city of Santa Cruz increased their pressure on the three-man junta which replaced President Luis Garcia Meza in La Paz on Tuesday, our Foreign Staff reports. The rebels claimed the junta was planning an attack on Santa Cruz to dislodge them.

The telex said Bolivia also now seems unlikely to meet an end-September deadline for negotiating a new stand-by credit agreement with the International Monetary Fund. IMF officials have told international bankers that the earliest possible date for an agreement would be the end of October.

The IMF agreement was one condition imposed by banks which signed a $450m debt rescheduling arrangement with Bolivia in March.

Its deadline has already been postponed once for 90 days from June 28. Bankers fear there will be strong resistance to a second postponement, particularly if Bolivia, in the meantime, fails to honour its financial commitments.

The political uncertainty prevailing in Bolivia since the assumption of power by the military junta could prolong delays in starting new talks with the IMF, they added.

Canadian Stelco strike spreads

MONTREAL — About 1,200 steelworkers, employees of Stelco in Quebec, walked off the job at midnight on Wednesday, joining 15,000 other Ontario Stelca workers on strike since last Saturday.

Mr Gilles Audette, an official of United Steelworkers of America, which represents Stelco employees in five Quebec plants, said salary demands of the Quebec Stelco workers are identical to those of their Ontario counterparts.

He said, however, a salary agreement alone would not end the strike if issues such as job seniority, hiring and firing and improved health safety in the workplace were not settled to the satisfaction of Quebec steelworkers.
AP-DJ

Castro visits Mexico for talks on Ottawa summit

BY RONALD BUCHANAN IN MEXICO CITY

CUBAN LEADER Fidel Castro is arriving in Mexico today for a weekend meeting with President Jose Lopez Portillo, according to diplomats in Mexico City, for the second time in three years. The two men will meet on the Caribbean island of Cozumel.

The two presidents are expected to discuss the recent Ottawa summit of industrialised nations, the Nassau conference on aid to the Caribbean, and last weekend's preparatory meeting in Cancun, Mexico, for the October North-South meeting.

The visit is seen as a compensation to President Castro for his exclusion from the North-South gathering. U.S. officials had indicated that Mr Reagan would not attend in October if the Cuban leader were present.

Mr Lopez Portillo is under pressure from the Left at home to compensate President Castro for what was seen as a slight. But the two men will also discuss the growing level of economic co-operation between the two countries, and possibly the situation in Central America. At a time when Cuba is increasingly isolated within Latin America, Mexico has emerged as its most powerful and loyal ally in the region.

Violence may lead to arms race—Cheysson

MEXICO CITY — M Claude Cheysson, the French Foreign Minister, said yesterday that heightened violence in central America could cause an arms race leading to a situation similar to the Middle East.

Speaking at the end of a tour of Costa Rica, Nicaragua and Honduras, M Cheysson said France and other European countries would do all they can to prevent violence from intensifying.

M Cheysson would not comment on U.S. military aid to the embattled Government of El Salvador.
Reuter

U.S. budget deficit still casts dark shadow over Wall Street

BY DAVID LASCELLES IN NEW YORK

PRESIDENT REAGAN'S budget victory may finally have paved the way for the sweeping tax and spending cuts which lie at the heart of his economic programme to revitalise the U.S. and balance the budget by the next presidential election in 1984. But the timing was most unfortunate.

His moment of triumph coincided with this week's huge Treasury refunding exercise, which piled billions of dollars of new debt on to Wall Street's already hard-pressed financial markets and highlighted the enormous borrowing that the Federal Government will have to make during the rest of this year to finance its yawning deficit.

The lopsided budget is not entirely Mr Reagan's fault—he inherited part of it from the previous Administration. But the deficit will be worse by the end of the year than Mr Reagan's economists predicted. This will add to upward pressures on interest rates, particularly if the Federal Reserve sticks by its tight monetary policy. By the end of this year, the Federal debt will reach a staggering $1 trillion (million million).

This week's refunding should have been a routine matter. Every quarter, the Treasury markets a large amount of long term bonds and notes to help roll over existing obligations and finance new debt. This comes on top of the regular weekly sale of Treasury bills and other short term securities. But this time round, the refunding sent shocks through Wall Street because it was so large—$8.5bn (£4.7bn).

When Mr Reagan laid out his programme last February, he forecast a deficit of $54.5bn (£30.3bn) on a total Federal budget of $654.7bn (£363.7bn) for this fiscal year, ending on September 30. Though huge, this figure was well below the $59.6bn (£33.1bn) reached by the Carter Administration

Ironically, the Administration's chances of achieving its fund raising goal were helped when Congress—in trying to block the budget reforms—postponed the tax cuts until October 1. This left the Treasury in the enviable, though unsought, position of enjoying greater tax revenues than expected. In June, Mr. Donald Regan, the Treasury Secretary, actually reduced his deficit forecast to $51bn (£28.3bn).

His hopes were soon dashed. Last month he was forced to revise his forecast back up to $55.6bn (£30.9bn) because high interest rates had played havoc with estimates of the Government's financing costs.

But the Administration's new forecast may still turn out to be on the low side. Wall Street's estimates start at $55bn and range as high as $65bn. This is mainly because analysts doubt that Washington can keep welfare spending low enough to offset planned increases in defence spending. They also think the Treasury is being too optimistic about its financing costs.

In the first nine months of the fiscal year the Treasury was $49.4bn (£27.4bn) in the red, and the deficit for the final quarter could be at least $10bn (£5.6bn). According to estimates by Salomon Brothers, the investment house, there will also be about $22bn (£12.2bn) in "off-budget" financing by Government agencies. This will bring the Government's total borowing requirement to more than $80bn (£44.4bn).

Mr Beryl Sprinkel, the Treasury Under-Secretary for Monetary Affairs, shed further light on the Government's borrowing needs when he announced this week's quarterly refunding. He said there would be more debt sales this quarter, probably next month, and he forecast a $30-33bn (£16.7bn-£18.3bn) borrowing need in the final quarter — one of the largest on record. He blamed the bad news partly on the Carter Administration, but added that tax cuts and the weakened economy would also reduce revenues.

"We don't think these numbers are far out of line with market expectations," he claimed. But Wall Street clearly did no agree because the financial markets went into a steep slide in the days that followed Mr Sprinkel's announcement.

This was a predictable reaction to news of heavy Government borrowing. But there was more to it than that. Economists fear that the momentum of Treasury borrowing could soon collide with the Fed's tough monetary policy and spark a damaging credit crunch. Even though the White House has given its political support to the Fed's efforts to combat inflation by monetary means, the deficit still threatens to undermine that policy.

The Fed could oblige the Treasury by printing more money to cover the deficit

This would reduce pressure on interest rates, but could force up inflation disastrously. For this reason the Fed is unlikely to take such action.

Instead, the Treasury will have to compete with other borrowers on the open market, which explains why Wall Street is still desperately worried that interest rates could rise even further.

Reaganomics Feature, Page 10

U.S. FEDERAL BUDGET PROPOSALS
(dollars bn)

	Revenue	Outlay	Net
1981*	661.2	605.6	—55.6
1982*	704.8	662.3	—42.5
1983	710.1	733.1	—23.0
1984	772.1	771.6	0.5

* Revised

Botha back-pedals on reforms at opening of Parliament

BY J. D. F. JONES IN CAPE TOWN

WINTER CAN be cold and wet in the Cape Peninsula. Out on the Cape Flats—the bleak and sandy terrain that separates Table Mountain from the continent—the authorities have been arresting hundreds of black squatters, mainly women and children, and tearing down the flimsy plastic sheeting and bushes that are all they have to protect them at night from the rain and cold.

Many of these people are living "illegally" in the area, though some of them have been here for many years. Dr Koornhof, the South African Minister of Co-operation and Development, who is responsible for black affairs, said this week that he dislikes arresting them, but he insists that to allow them to stay would lead to "a second Crossroads"—a reference to the large shanty town on the Cape Flats, which the Government was forced by public opinion to regularise in 1979. Extra magistrates have been brought in to hand down the routine sentences, and the occasional white housewife supplies hot soup and baby clothes.

Question

The arrests have fuelled the exchanges this week in the traditional censure debate at the opening of the Parliamentary session. The National Party Government of Mr P. W. Botha, the Prime Minister, is defending its record against the opposition Progressive Federal Party (PFP) and New Republic Party (NRP).

Mr Botha hardly has his back to the wall because the Nationalists have 131 of the 165 elected seats. The point is that at last April's election, the PFP, led by Dr Frederick Van Zyl Slabbert, did well to win 26 seats. More important, the Afrikaner far Right, through its Herstigte Nasionale Party, achieved 14 per cent of the white vote, though without winning a single seat.

This week's big question, therefore, related not so much to the impact of the liberally-inclined PFP as to whether the Government was going to be influenced by the size of that (absent) white Right-wing vote. In South African jargon, would the verligte (enlightened) protestations of Mr Botha be qualified by his new awareness of the verkrampte (reactionary) backlash?

After a week of censure debate, the verdict must be that the Prime Minister is busily pedalling backards. There has been nothing, either in his speech last Monday or in his interjections since, to encourage speculation that he is intending to push ahead with a verligte programme.

Positive

On the contrary, he and his Ministers have reiterated the old familiar policies: no common roll for Whites, Coloureds and Asians; no constitutional representation at all for the urban blacks; no change in controls preventing rural blacks flocking to the cities. Opposition members described is as "a return to Dr Verwoerd's constitutional fantasies."

There were only two positive notes in the Prime Minister's speech. Mr Botha suggested that the Government would soon decide to press on with a revised decentralisation policy. Senior civil servants have put up detailed and important proposals for a greatly intensified programme designed to steer industry away from the established (white) metropolitan areas to "growth poles" linked to the black tribal homelands. Mr Botha seems to have committed himself to this policy, though he warned it would be expensive and that it would mean increasing costs in the urban areas.

The President's Council (set up last year following the abolition of the Senate as an advisory body) has been asked by the Premier to bring forward to November or December its constitutional proposals on Coloureds and Asians. Mr Botha gave a clear hint that his Government is expecting a recommendation for a three-

Nerve

chamber Parliament, with separate assemblies for Whites, Coloureds and Asians, along the lines of National Party thinking before the Schlebusch Commission of 1978. But there is no reason to think that non-White communities will be interested in such a policy.

The PFP opposition has concluded that the Government has lost its nerve as a result of the election and that the Prime Minister has scrapped his public promises of reform. But if it is true that the Government has lost its interest in reform, then the implications are far more serious than party politics. The test will be the Government programme for the session. It will be dominated by next week's budget, but otherwise all one can see to encourage the verligtes is a labour bill which moves slighly but significantly towards the freer operation of Black trade unions.

Editorial Comment, Page 10


P. W. Botha: defending his record on apartheid

Australia resists nuclear pressure from Japan

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Government has indicated that it intends to remain firm on nuclear safeguards policy despite pressure from Japan for an easing of conditions under which Australian uranium may be sold. Japan is Australia's major customer.

Mr Ichiro Nakagawa, Japan's Minister for Science and Technology, said during a visit to Canberra that the signing of a safeguards agreement between the two countries is being held up because Australia's requirements are too strict.

Mr Doug Anthony, Australia's Deputy Prime Minister and Minister for Trade and Resources, and Mr Michael MacKellar, the acting Foreign Minister, responded with a statement reaffirming the Government's commitment to a safeguards policy for the sale of Australian uranium.

Australia insists that uranium customers sign a bilateral agreement in addition to the International Nuclear Non-Proliferation Treaty. Nine bilateral agreements covering 16 countries, including the UK, the U.S. and France, have already been signed.

Mr Ichiro Nakagawa: Pressing Australia on nuclear safeguards.

Mr. Anthony and Mr MacKellar said Australia was asking of Japan no more or less than had been mutually agreed with other countries.

Japan argues that as it is a signatory of the nuclear non-proliferation treaty and subject to international inspection, strict bilateral controls are not necessary. To accept Australia's bilateral conditions would be to negate the international nuclear non-proliferation regime.

Negotiations between the two countries over a safeguards agreement have been proceeding for two years. A meeting of officials from both countries will be held in Canberra next month.

Both sides have admitted they would like to see some agreement in place before the end of this year to pave the way for shipments of Australian uranium early in 1982.

Japan has a contract for the supply of 12.170 tonnes of uranium between 1982 and 1986 from Energy Resources of Australia.

Australia's safeguards policy requires that Australian uranium be used for peaceful, non-military and non-explosive purposes. In addition, prior consent from Australia must be obtained if customer-countries wish to re-export or reprocess nuclear material of Australian origin.

Italians win £118m U.S. packaging contract

By Rupert Cornwell in Rome

GD Spa, the Bologna-based packaging equipment manufacturer controlled by the Serignolo family, has won an order worth L265bn (£118m) from the American tobacco manufacturer, R. J. Reynolds, for 100 cigarette packaging lines.

Delivery, the contract stipulates, will run until 1986. The order is the biggest ever won by GD.

The machines supplied by the Bologna company will be employed in part at Winston, Salem, Reynolds U.S. headquarters, as well as by subsidiaries based in Europe.

Financing for the deal has been covered by a consortium of international banks who have underwritten a loan by Reynolds.

A group of private steelmakers from Brescia, in Northern Italy, has won a L65bn (£29m) contract from Libya for 250,000 tonnes of concrete reinforcing rods. Delivery of the steel is scheduled by September 1.

French to help Indian oil drive

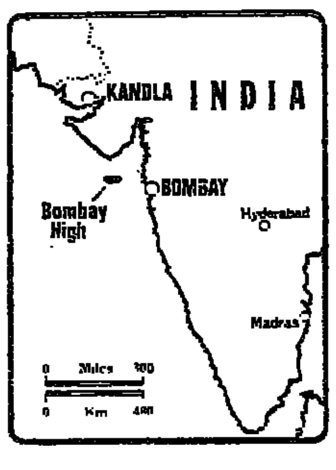
BY K. K. SHARMA IN NEW DELHI

THE Indian Government-owned Oil and Natural Gas Commission and Compagnie Francaise des Petroles (CFP) are to sign an agreement on technical assistance to raise substantially the production of the Bombay High offshore oilfield in the western continental shelf of India.

Production from Bombay High, which at present stands at under 7m tonnes a year, is to be raised to 19m tonnes by 1983 under a multi-million investment programme launched by the Indian Government in a bid to reach self-sufficiency in oil.

CFP will also help to raise production from the adjoining Ratnagiri offshore oilfield to 1m tonnes by 1983. At present, Ratnagiri produces a negligible amount, but has the potential of becoming a major oil producing area.

CFP originally wanted a share in the oil produced from the two fields, but this was resisted by the Indian Government which offered a fee for technical services. CFP has now agreed to accept just the fee which is still to be fixed.



Talks between two senior representatives of CFP and the commission are now being held on the contract and the fee, and are said to be in the final stages.

CFP is already a consultant to the Commission for Development of Bombay High, India's first off-shore oilfield on which hopes are pinned to save the heavy outflow of foreign exchange on account of oil imports.

India uses about 32m tonnes of oil a year and imports nearly two-thirds of this. The rest is produced from oilfields in the Western continental shelf and onshore areas in the states of Gujarat and Assam.

Last year, the Indian Government asked for global tenders for exploration in offshore and onshore tracts. Nearly 50 offers were received and the Government is now examining details of about 12. Most of them are for areas in the western continental shelf.

UK EXPORTS

£9m Amman order for John Laing

By Our World Trade Staff

LAING PROJECTS, part of the John Laing engineering and consructions group, has won an £8.8m contract to build a pharmaceutical factory for Arab Pharmaceutical Manufacturing of Amman.

The contract also involves the provision of specialist services such as the provision of water supplies and access roads, Laing said yesterday.

Laing now has more than £100m-worth of work on hand in Jordan, including the completion of the Queen Alia Airport in a deal worth £30m and the construction of a water pipeline — a £7.5m project.

This presence in Jordan, where the group maintains 70 expatriates and has a labour force of 1,500, gave the group an advantage when it came to tendering for the Arab Pharmaceutical contract. Competition came from international groups, including one from Poland.

The factory has to be completed by April 1983 and work on site will start in about five weeks' time.

Elsewhere in Jordan, at Ruseifa, Simon Food Engineers of Stockport, part of the Simon Engineering group, is modernising and automating a biscuit plant for Industrial, Commercial and Agricultural Company of Amman in a £438,000 contract.

● A credit line of £5m has been offered to Portuguese purchasers of British equipment and livestock by the London merchant bankers N. M. Rothschild. Diana Smith writes from Lisbon.

Financing is offered for 85 per cent of the value of each purchase contract — which may not be for less than £15,000 at a preferential fixed-interest rate of 8 per cent and repayment terms of not more than five years.

Hong Kong studies new airport

BY KEVIN RAFFERTY IN HONG KONG

THE Hong Kong Government is to begin a study of whether it is worth building its new international airport for the late 1980s and 1990s on land virtually on the doorstep of China.

Until now, it had been assumed that Hong Kong's new international airport would be at Chek Lap Kok, near Lantau Island.

But there is an influential body of opinion urging that it would be quicker, cheaper and more convenient to build on the shore of Deep Bay, which curls round from Hong Kong's New Territories to China.

The study will start shortly and take about three months. The Government will resist the suggestion of some strong Chinese sympathisers that the airport should be on the north shore of the bay, which is entirely in China, where it would be able to serve the needs of Hong Kong and China's Special Economic Zone at Shenzhen.

Although China has more land, nervousness about the future of Hong Kong, has made it seem essential that the airport be safely withing Hong Kong territory.

Asean seeks 'more open EEC'

SINGAPORE — The Association of South-east Asian Nations (ASEAN) yesterday called on the EEC to open its market a little wider to exports from the region.

Addressing a conference on economic relations between the two groups, Mr Narciso Reyes, the Asean Secretary-General, said: "It is becoming increasingly obvious that in the field of trade, building bridges in the form of additional studies, discussions and increased contacts may not be enough.

"It will also be necessary to open the doors of EEC markets a little wider to Asean exports."

Mr Reyes, a senior Filipino diplomat, said this was one of the crucial issues that would test the ability of the two communities to realise the full potential of their economic relations.

Other major issues included industrial co-operation and co-operation for development.

"These issues have been deferred or skirted rather than confronted during the preparatory dialogue between EEC and Asean," he added.

Reuter

INVESTMENT IN SOUTH KOREA

U.S. company in joint venture

BY ANNE CHARTERS IN SEOUL

JOHNSON AND JOHNSON of the U.S., and Dong Suh Pharmaceutical of South Korea yesterday announced a joint venture company, Korea McNeil, with Johnson holding 51 per cent of the equity.

The formation of the company is concrete evidence that the Government is serious about opening up the South Korean economy to more direct foreign investment.

Korea McNeil is capitalised at $3.9m (£2.1m). It will construct a chemical synthesis facility and manufacture diagnostic instrument components for export.

During the ten months of negotiations to set up the venture the Government did a complete about-face. It shifted from a flat statement last September that the investment would not be approved at any equity level, to an indication in January that a foreign majority share in the company might be approved if certain guidelines were met.

The Economic Planning Board made those guidelines more specific on an industry-by-industry base last week when it indicated that direct foreign investment is now allowed in 427 different industries, roughly 50 per cent of the nation's industrial sectors.

Opportunities in manufacturing predominate, although investment is encouraged in agriculture, mining, hotels, transportation, warehousing and insurance.

But only 56 industries are open to foreign investors wanting 100 per cent equity in a company. However the Government will consider such investments in industries where up to 50 per cent equity shares are already encouraged.

Health products, pulp, optical glass, automatic data processing equipment, toys, musical instruments, electrical equipment for aircraft are some of the areas where wholly-owned foreign subsidiaries are encouraged to start up operations.

The investments must still be approved on a case-by-case basis, but the Government is taking steps to make the approval process less time-consuming and bureaucratic.

The new guidelines, which have been expected for several months, are designed to help potential investors know in advance what sectors are open to investment, thereby stimulating more interest in getting in at the start of South Korea's climb out of recession.

Seoul has projected only $200m in direct foreign investment for this year, but officials would like to outperform that target.

FRANCO-IRANIAN TRADE

Commercial relations at low ebb

BY DAVID WHITE IN PARIS

THE CRISIS between Paris and Tehran since ex-President Abolhassan Bani-Sadr of Iran and the left-wing opposition leader, Mr Massoud Rajavi, took refuge in France last week has come at a time when commercial relations between the two countries are already badly damaged.

The fact that only 140 French citizens, including diplomats, were left in Iran at the time is a sign of the reduced level of French interests there.

France's reliance on Iranian oil was brought down from 5 per cent of its imports in 1979 to 1.4 per cent in 1980 and supplies touched zero last autumn.

The freezing or cancellation of a number of big French contracts—including two nuclear reactors and a Tehran underground railway—is thought to have resulted in losses of FFr 10bn (£925m) for French companies, largely covered by Coface, the official export credit guarantee board.

Most have pulled out of Iran altogether, except for a few companies such as Renault, which supplies parts for a car assembly plant in which it used to be a shareholder.

One of the few outstanding deals left over from the Shah's time was rushed through at the weekend, when Iranian crews took delivery of three missile-carrying gunboats that had been held up in France pending completion of payment.

The delivery, completing an order of 12 vessels, evidently did nothing to defuse the row over Mr Bani-Sadr's exile.

France managed to increase exports to Iran last year, thanks almost exclusively to food sales, which fell outside sanctions provisions during the U.S. Embassy hostages crisis.

French exports to Iran in 1980 were worth $720m (£400m), compared with $427m in 1979, the year when the sales of most European countries in Iran sagged badly. French imports last year were worth $652m, down from $1.02bn in 1979.

Fowler licenses bus competition

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

MR NORMAN FOWLER, the Transport Secretary, has rejected the advice of his own inspector and licensed a private bus service in competition with local services run in Cumberland by the state-owned National Bus Company.

This is the first time since the Transport Act was passed last year that a private company has appealed to the Secretary of State after being refused a licence to compete with part of NBC. The act deregulated many bus services and allowed companies to compete more freely than at any time since the 1930s.

The private bus service, planned by Yeowart's Coaches of Whitehaven, Cumbria, can now go ahead on a circular route around the town.

The Northern Traffic Commissioners, Cumberland Motor Services, the local NBC company and Cumbria County Council have all objected that the new licence would lead to cuts in essential social bus services.

The prospect of imminent cuts was confirmed yesterday by Cumberland Motor Services. Services on several rural routes are to be examined in talks with Cumbria County Council.

"Some of our services will have to be withdrawn to make good the money we will lose because of the Yeowart's Coaches' operation," Mr Peter Townley, the general manager of CMS, said yesterday.

National Bus Company, Britain's biggest bus and coach operator, with two and a half times as many passengers as British Rail, also protested.

"This can only lead over the long term to the disintegration of the bus networks in Britain," Mr Robert Brook, NBC chief executive, said.

The Traffic Commissioners, in rejecting the application from Yeowart's Coaches, said their decision was taken "solely on the grounds of protection of the rural bus services in West Cumbria."

● There are "manifest and manifold practical difficulties to be overcome before ideas for denationalising the National Bus Company could be turned into reality," NBC said.

Mr Fowler is considering the possible denationalisation of all or part of NBC. Measures may be included in a new Transport Bill in the next session of Parliament, if the Cabinet approves the idea.

National Bus has already had talks with officials at the Transport Department about possible ways in which the company could be sold to the private sector.

Spillers Milling to invest £10m in mills

BY JAMES McDONALD

SPILLERS MILLING—part of he Dalgety group and one of Britain's "big three" flour millers—yesterday announced a £10m plan to renew its flour mills.

The bulk of the investment will go towards building a new £6m mill at Avonmouth Docks, Bristol. Another £3.5m is to be spent on modernising and expanding the group's Foster Mill at Cambridge.

The Bristol mill will be erected alongside the existing Hosegood mill, built in 1936, which will be phased out of production when the new plant comes on stream early in 1983. The adjoining 30,000-tonne wheat storage silo complex will be retained and re-equipped with the latest handling equipment.

Mr Ted Humphreys, chief executive of Spillers Milling said the new mill would have about the same capacity as the Hosegood mill—some 80,000 tonnes of flour a year. The Avonmouth project would not create any jobs at Bristol, where the present mill and wheat storage silo complex together employ 150.

Expansion and modernisation of the Cambridge mill will double capacity within the existing building—last remodelled in the early 1930s—from 40,000 tonnes to 80,000 tonnes a year.

Such was the progress in flour milling technology, said Mr Humphreys, that the present labour force of 70 may be increased by only 15 to 20. The modernised mill will be completed later this year.

Spillers Milling has an annual turnover of nearly £200m. It employs 1,700 in the UK at 10 flour mills and two factories. Each year it mills 1m tonnes of wheat.

Since Dalgety won control of Spillers at the start of the last year, the UK operations of the combined companies have been carried out by the subsidiary—Dalgety Spillers. It has five operating divisions, including flour milling carried out by Spillers Milling, which was formed earlier this year. The others deal with agriculture, malt, chemicals, and foods and groceries.

Society reaps what it sowed in 1804

BY ANTHONY MORETON

EVER SINCE Capability Brown the sight of a garden has set the adrenalin coursing in many Britons. They pride themselves on their flowering plots, whether they are at the back of Acacia Avenue or the front of Blenheim.

So it is hardly surprising that every summer sees not just the shows for the professionals, as at Chelsea and Shrewsbury, but also the amateurs' awards: for the best-kept village, railway station, town garden or police station.

These competitions are possible because of the devotion and enthusiasm of pioneers like Douglas Davies, G. F. Wilson and George Forrest, who in the last century scoured the world for bulbs, plants and seeds to send home. The present day colour of English gardens originate from the Himalayas, Turkey, North America, Japan and China.

Chirs Brickell is a worthy successor to those eminent Victorians. During a lecture tour in Turkey seven years ago he saw what appeared to be a new colchium, a flowering bulb, transplanted it in England and a new species of the plant was born.

"It is still possible to find new plants," he says. "Japan was a marvellous source in the last century and China more recently. They're still there."

He should know. He is director of the Royal Hortcultural Society's Garden at Wisley, in Surrey, and a world-famous expert on the classification of groups of plants. From his office, a cross between a don's study and a Heath Robinson laboratory, he can look across the 250 acres that, with the Chelsea show, is the society's main attraction.

The RHS was formed in Piccadilly in 1804 by seven garden *enthusiasts. Today* it has a membership of 70,000.

At first it was simply called the Horticultural Society. The royal title did not arrive until 1861, following Prince Albert's enthusiasm for its work. The prince consort's involvement led to a popular upsurge in interest in gardens.

The subsequent association between the royals and gardening has not been so close, with the exception of the Queen Mother, who is said to be "an avid and knowledgeable gardener," and Queen Mary.

The Society had gardens in Chiswick for over 80 years and did not move to Wisley until 1904 when an estate was given to it in trust by a former treasurer. Starting with six acres under cultivation, the Society has built the garden to its present glory.

Last year the Garden attracted just under half a million visitors, compared with less than 200,000 in 1970, and there are hopes that the number will go beyond 500,000 this year. No more than half those going through the turnstiles are members of the society, indicating the interest in its work among the public.

That work, according to Mr Brickell, who was appointed director at the early age of 37 12 years ago, "is to maintain the garden, provide advice to members, carry out trials of new varieties, train young *gardeners and carry out* research work in horticulture and related sciences.

"In fact, we also provide advice to non-members. Members are our first priority but we will help anyone with a problem. Our post is quite enormous and we make no charges for the work."

Trevor Humphries

Royal Horticultural Society director Chris Brickell in the Society's Garden in Wisley

Like everyone else the Garden had to contend with rising costs, and six years ago it introduced a shop, selling the plants and seeds found in the normal garden centre.

"We had been looking at the economics of running the place and the idea of the shop was to combine education and selling. So our books are confined to all aspects of gardening: we don't go in for decorative mugs, or that sort of thing. We are not trying to cash in on the tourist trade."

There are now two shops: one selling plants and the other books. They have made a big contribution towards keeping Wisley's head above water.

Other developments are constantly considered. Some years ago members complained that Wisley was on too large a scale to relate to their own gardens. As a result, several model gardens were introduced, a formal garden, a fruit garden, a vegetable garden, a small town garden and, this year, a garden for the disabled.

Triads of vegetables, two-year training schemes for young gardeners (there were 140 applicants for 10 places this year), analysis of soil samples, and flower displays all take place in the garden. Capability Brown himself would find something to interest him in Wisley.

APPOINTMENTS

Laidlaw joins Barclays main board

Mr Christopher C. F. Laidlaw, chairman of ICL, has been appointed a director of BARCLAYS BANK. Mr Laidlaw has ben a director of Barclays Bank International since May 1980. He was formerly a deputy chairman of The British Petroleum Company.

★

Mr K. Scholfield has been appointed deputy chief executive of S. W. FARMER GROUP. Mr G. D. B. Pearse has been appointed a non-executive director. Mr Farmer has been appointed honorary president following his retirement from the board.

★

Mr David John Perry has been appointed a director of GRAY DAWES EXPORT FINANCE.

★

CARLESS, CAPEL AND LEONARD has appointed Mr Marcus Agius a director.

★

Mr John Pope has been appointed sales director of AMCEL, the wholly-owned UK subsidiary of Celanese Corporation. He succeeds Mr Lars Philipson, who has moved to fibres division, Amcel Co Inc in Brussels.

★

Mr Frank Abramson, retail group marketing manager of W. H. Smith, is appointed trading director of W. H. SMITH DO IT ALL, the DIY chain, from September 14.

★

Mr M. N. Eggleton has been appointed director of planning, BRITISH ELECTRICITY INTERNATIONAL, the electricity supply industry's overseas consultancy company. Mr Eggleton is also responsible for all BEI activities in India.

★

Dr Michael Barrett, pro-vice-chancellor and professor of pharmacology in the University of Leeds, has been elected secretary general of the INTERNATIONAL UNION OF PHARMACOLOGY.

★

Mr Kevin T. Loftus, a vice-president of The Van Heusen Company, a division of Phillips-Van Heusen Corporation of New York, has been appointed managing director of the BRITISH VAN HEUSEN COMPANY, Taunton, shirt manufacturing subsidiary of Carrington Viyella, from early September.

★

Dr W. Cameron Davies has joined PREMIER CONSOLIDATED OILFIELDS as manager of operations.

★

THE MERCANTILE AND GENERAL REINSURANCE COMPANY states that the managing director Mr J. A. S. Neave will retire at the next annual meeting in May 1982 but will remain on the board as a non-executive director. Mr Neave will eventually succeed Mr D. M. C. Donald as chairman. The general manager, Mr P. J. Howell, will succeed Mr Neave as managing director, and Mr J. Locke will then be appointed general manager.

★

Mr Jeff Harrison, for the past five years managing director of the TRAILOR group's British subsidiary, is leaving to take a board appointment with TRANSPORT INTERNATIONAL POOL. Mr Ian Shaw has become managing director at Trailor-UK.

★

Mrs Barbara Elaine Davis-Wilson has been elected a non-executive director of JAMES AUSTIN STEEL HOLDINGS.

★

AIR PRODUCTS AND CHEMICALS INC has appointed Mr J. Robert Lovett president of the company's European operations. He will be based at Hersham.

★

Mr Simon Towneley, Lord Lieutenant of Lancashire, has joined the board of GRANADA TELEVISION as a non-executive director.

★

Mr Gerald K. Piercy will retire as secretary of ALEXANDERS DISCOUNT CO on September 30 and will be succeeded by Mr Roy F. Sharp.

OVERSEAS

Mr John L. Cooke has been promoted to McDONNELL DOUGLAS CORPORATION director of external relations and Mr Donald N. Hanson will succeed him as director of external relations at the corporation's Douglas Aircraft Company division.

★

Mr John Gill has been appointed chief financial officer of INTERNATIONAL THOMSON HOLDINGS INC., the principal U.S. subsidiary of International Thomson Organisation. He will be based in New York. Mr Gill joined the group in 1970 and has been financial controller of the Thomson Organisation in London since 1977.

★

Ms Anita M. Chanpong has been appointed senior vice-president of SWETT AND CRAWFORD, Los Angeles, part of Foremark Corporation which is wholly-owned by the Continental Corporation.

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Shell set to lead the way with 5p petrol price rise

BY SUE CAMERON

SHELL is expected to announce today an increase in its pump petrol prices of about 5p a gallon. Esso and BP Oil seem set to follow suit early next week.

The increase will be the third of its kind in as many months. It is expected to take the average price of a gallon of four-star up to 169p.

The chief reason for the price rise is thought to be the weakening of the pound against the dollar. Crude is bought in dollars and every cent the pound falls against the dollar is thought to put up Shell's bill for crude by £13m—on an annualised basis.

All the major oil companies—Shell, Esso and BP Oil lead the UK petrol market—have been hit hard by the dramatic fall in demand for oil products, including petrol. The position has been made worse by the world glut of oil, caused largely by Saudi Arabia maintaining a high crude output in an effort to force other members of the Organisation of Petroleum Exporting Countries into line on pricing.

The big petrol companies have been making huge losses on their refining operations. At the beginning of last month, some managed to return to break even point when they increased their petrol prices by an average of 7p to 8p a gallon. But the benefit gained from the price increases has been eroded since by the fall of the pound against the dollar.

The drop in demand for oil products, plus the surplus of crude, have led to massive overcapacity in refining. At the start of this month BP Oil announced plans to shut its 10.5m tonnes a year refinery on the Isle of Grain, Kent, with the loss of almost 1,670 jobs.

Meanwhile, the Motor Agents' Association said yesterday that more motorists are driving away from self-service filling stations without paying for their petrol. The association said the number of reported "drive-offs" trebled last year from 252 to 727 in the West Midlands alone.

It blamed high unemployment and the rising price of petrol for the increase in motoring crime.

Petrochemicals industry warning

BY SUE CAMERON, CHEMICALS CORRESPONDENT

A WARNING that major petrochemical companies may have to cut their operations in the UK unless demand starts to improve in the near future is given in a report published today by the petrochemicals sector working party — the industry's little Nedy.

The report says the petrochemicals sector has been hard hit by the decline of its customer industries — notably textiles, automotives, tyres, construction and white goods—as a result of the recession. It adds that this is inhibiting investment in UK petrochemicals and could threaten the "survival" of the industry.

The report emphasises the "critical dependence of the petrochemical industry on a healthy home manufacturing base." It states bluntly: "The depth of this recession is such that if a revival of UK demand for petrochemicals is long delayed, there are real fears about the ability of companies in the sector to continue operating on the present scale in the UK."

The figures given in the report suggest that the UK petrochemicals industry is losing ground to some of its European competitors. They show that Britain had a trade deficit with its Common Market partners of £213m in plastic materials last year. The trade deficit in plastic materials had risen almost fourfold since 1973.

Imports to the UK of plastic materials accounted for some 35 per cent of total sales at the end of 1977, but by the end of 1980 the figure had climbed to 42 per cent.

Meanwhile, the UK's share of European ethylene production —ethylene is the so-called building-block of the petrochemical industry used in the making of a range of substances from plastics to solvents — fell from 14.8 per cent in 1972 to 11.6 per cent in 1979.

And Britain's share of the European Economic Community's propylene production — propylene is another basic chemical used in the making of plastics — slumped from 17 per cent in 1972 to 12.6 per cent in 1979.

The report calls for a number of moves to be made to help the petrochemicals sector.

- Government action to bring UK gas prices, electricity tariffs and heavyl fuel oil duty into line with energy charges on the Continent.
- The speeding up of negotiations over Britain's planned £2.7bn North Sea gas gathering system which will provide gas liquid raw materials for UK petrochemical producers.
- Trade unions and chemical companies to make "all practicable efforts" to improve the performance of the UK construction industry, notable when it comes to major projects.

Today also sees the publication of a general paper from the chemicals economic development committee, which, like the petrochemicals sector working party, operates under the aegis of the National Economic Development Office.

The paper says that UK chemicals output was 14 per cent lower at the end of last year than at the end of 1979.

North Sea activity continues to decline

BY RAY DAFTER, ENERGY EDITOR

THE TREND in oil exploration and production activity in the UK sector of the North Sea is continuing to decline, according to the latest report of consultants Gaffney, Cline and Associates.

Activity indices produced by the consultants show that the number of exploration wells drilled in the second quarter of this year was 43.8 per cent of the quarterly average in 1977. During the first half of this year exploration work was slacker than in almost any period since the early 1970s.

Gaffney, Cline said that while there was a marginal improvement in exploration activity in the second quarter, compared with the first this was largely due to the improved weather conditions.

The index for development activity, based on the amount of reserves being exploited at the end of each quarter, was 81.8 per cent of the average level in 1977.

The trends underline the oil industry's concern about offshore taxation and possible depletion policies, said the report. This concern was shared in part by companies operating in other parts of Europe, in particular in Norway and the Netherlands.

"We continue to see a complete lack of understanding by the governments concerned of the basic need to implement policies which will provide a suitable, long-term planning environment so necessary for the offshore exploration and development of oil and natural gas," said Mr Peter Gaffney, senior partner.

- British Gas Coroporations plans to explore for more natural gas reserves in the Irish Sea, close to its important Morecambe Field. The corporation said yesterday that it would begin drilling off the Lancashire coast later this year. It was negotiating with British National Oil Corporation to share a jack-up drilling rig, Apollo 11.

The three-legged rig would be used to drill up to five wells in blocks 113/26, 110/7, 110/8 and 110/14 on separate geological structures from Morecambe, British Gas said.

Steel drop forgings deliveries fall 35%

BY ALAN PIKE

DELIVERIES of steel drop forgings during the first five months of the year were more than 35 per cent down on the same period last year at an estimated 113,689 tonnes.

Almost all end-user markets have "slumped considerably" with even aircraft sector deliveries (which improved considerably last year) down by nearly 17 per cent, according to the latest economic and statistical review of the National Association of Drop Forgers and Stampers.

Total deliveries for 1981 are not expected to exceed 270,000 tonnes. This would represent a drop of 20 per cent on last year and more than 40 per cent against 1979. Measured in terms of sales value, business in the first five months of 1981—worth around £123.6m—was 27 per cent down on the corresponding period of 1980.

In spite of this continued poor level of activity, the association hopes that the trough of the recession may have been reached. Although deliveries have continued to fall on an annual basis, they have been relatively stable for the past 12 months.

The performance in drop forgings mirrors the impact which the recession has been having throughout the steel industry. In the special steels sector, where companies are being asked to consider means of reducing capacity, demand has fallen by some 50 per cent over the past year with no indication of an upturn. Current demand is estimated to be about 30,000 tonnes a year.

On a brighter note, a report published today by ICC Business Ratios shows that companies engaged in specialist metal finishing activities have been able to maintain their profits despite poor sales

Europe ferry traffic up in first quarter

BY ANDREW FISHER, SHIPPING CORRESPONDENT

ROLL-ON/roll-off ferry traffic from Britain to the rest of Europe picked up slightly in the first three months of this year, according to figures from the Departments of Environment and Transport.

The total of 139,400 road vehicles was 5.4 per cent up on the level for the last quarter of 1980, though still down by over 8 per cent on the first three months of last year.

The drop in traffic over the last 12 months was not as severe as that for the fourth quarter of last year over the same period of 1979, when traffic was down by 19 per cent.

Among powered vehicles, whose numbers fell 7 per cent to 74,000, those with UK registrations fell by 12 per cent but foreign vehicles showed a decline of only 2 per cent.

The number of French vehicles, which make up nearly 40 per cent of foreign registrations, rose by 6 per cent. Belgian vehicles were also up

Last warning for Lothian of £30m grant cut

By Mark Meredith, Scottish Correspondent

THE SCOTTISH OFFICE yesterday gave an unrepentant Lothian Regional Council until Tuesday to make spending cuts or lose £30m from its rate support grant.

The Lothian Labour leadership met Mr Malcolm Rifkind, Home Affairs Minister at the Scottish Office, on the day when the Government had threatened to start cutting £47m from the grant.

Lothian refused to agree to any immediate cuts, but presented Mr Rifkind with a £26m package of possible savings on services.

It claimed that every £1m cut after that would cost 600 jobs.

Last night Mrs Phyllis Herriot, the Labour group leader, conceded that her party would discuss figures on Monday night ready for the full council session on Tuesday.

A letter from the Scottish Office sent to the council after the meeting said that if no agreement on spending reductions was reached on Tuesday the process of cutting £47m from the weekly instalments of rate support grant would begin.

It added that under powers given to Mr George Younger, Secretary of State for Scotland, £17m could be restored to the council based on its subsequent conduct, in effect leaving it with a grant cut of £30m.

The Labour group accused the Scottish Office of "gunboat tactics," and of being "more interested in paper than people."

Such cuts would cause "appalling dislocation" in services, it said.

Next week will end the long battle between Lothian and the Government over spending.

The council's £400m budget is £63m, or 24 per cent, above Scottish Office spending guidelines.

The Labour leadership has consistently refused to make cuts, supported by local trade unions and Labour councils in other parts of the country, including Greater London Council.

The Labour group has a majority of one on the council. Despite intense pressure from the opposition to cut spending, the group has not broken ranks.

It repeated last night that it had a mandate and obligation to maintain both employment among the 33,000 council employees and the standard of social services.

"The Secretary of State has not thought out the consequences of his proposed action.

"We have felt it necessary to try, right to the bitter end.

New chairman for merchant bank committee

By Our Banking Correspondent

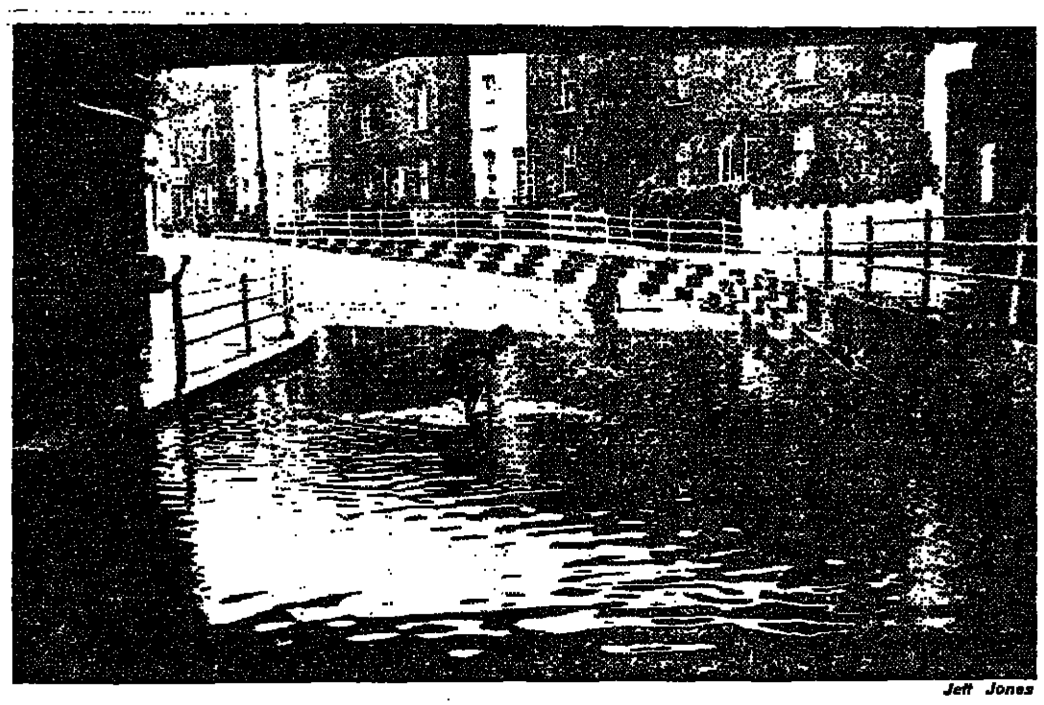
THE chairman of Lazard, Mr Ian Fraser, is to take over as chairman of the Accepting Houses Committee next month. He replaces Mr John Baring, chairman of Barings Bros, who has held the job since 1977.

Mr Fraser worked for ten years as a Reuters' foreign correspondent after World War II before joining S. G. Warburg and Company. In 1969 he became director general of the Takeover Panel.

Mr Fraser holds a number of outside directorships on the boards of Brtish Oxygen, Davy Corporation and iekers.

The Accepting Houses Committee consists of 17 leading City merchant banks ranging from Kleinwort Benson, with assets of £2.7bn, to Rea Bros with assets of just over £100m. Accepting bills of exchange is an important part of their business and their acceptances are discountble at the finest rate by the Bank of England.

This week's decision by the Bank of England to increase substantially the number of banks whose bills are eligible for discount at the Bank will increase the competition facing the accepting houses.



Jeff Jones

THE TORRENTS that brought an abrupt end to the hot weather yesterday, provided children with an impromptu playpool under a bridge in Battersea, London.

The road was closed by flooding—as were several others in England and Wales after thunderstorms broke the hottest spell of weather this year.

Homes were also flooded, and at Heathrow Airport several shuttle flights were cancelled and incoming flights diverted.

Warning lights failed on a through Berkshire, causing many accidents. Manchester reported the highest August rainfall for 20 years.

The storms brought havoc for London commuters. Kings Cross station was closed for a time and several lines were disrupted. The London Fire Brigade was deluged with calls.

But the London Weather Centre predicts fine weather for the weekend.

Weather blamed for power cuts

BY MARTIN DICKSON, ENERGY CORRESPONDENT

HOT WEATHER and a fast-growing tree were cited yesterday as probable contributory factors in Britain's worst power cuts for almost 20 years.

But the Central Electricity Generating Board, which has begun an inquiry into Wednesday's blackouts, said it would be some time before it could pin down the causes precisely.

Mr David Howell, the Secretary for Energy, yesterday called for a full report on the triple grid failure which caused chaos in Kent, Surrey, Berkshire, Hampshire, Gloucestershire, the West Country and much of South Wales.

The CEGB said the cause of the first failure—on the line from the West Midlands to Bristol—remained a mystery. A helicopter and men on foot were scouring the path of the pylons in search of clues.

The second failure—just two minutes after the first—was on the line from Dungeness to Canterbury in Kent. This was probably due to power-line sagging because of the heat and touching a fast-growing tree, resulting ing a "flashover," huge spark, and a fire.

The third failure, on the line from Bramley to Weybridge in Surrey, was probably caused by overloading resulting from the first two breakdowns.

CEGB officials said yesterday that the incidents reinforced their argument that there was a need for more generating capacity in the South-West.

Southern England is relying more than ever on the large coal-fired power stations of the Midlands—making the region more vulnerable to transmission failures. This reliance is due in part to the high price of oil, which means the CEGB is not making full use of its southern oil-fired stations, such as Fawley, near Southampton.

The board has been looking at five sites in Dorset and Cornwal to see if any are suitable for a nuclear station and at a site near Plymouth which might be used for a coal-fired plant.

However, its nuclear investigations have run into strong opposition. At Luxulyan, Cornwall, protestors who chained themselves to drilling equipment have prevented the board from sinking the last of 32 boreholes needed to assess geological conditions.

- Severe storms caused local power cuts again yesterday in several southern counties. The Southern Electricity Board said areas affected included Chichester, Aldershot and Heathrow. Among the hardest hit was Slough, where more than 26,000 consumers were temporarily cut off.

Car output reaches three-year peak

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR PRODUCTION last monht reached its highest level for more than three years.

But commercial vehicle output, although not quite at its lowest point, continued to reflect the very depressed market conditions.

Provisional estimates from the Department of Industry put car production in July on a seasonally adjusted basis at 105,000.

This compared with 101,000 in July last year and 80,000 in June.

The improvement in car production reflects the success of BL's Metro, output of which was raised recently, and the decision by Ford to assemble more of the cars it sells in the UK in British plants.

However, the manufacturers will have to work hard—and avoid stoppages—if car output is not to drop below that of last year, the worst since 1958.

In the first seven months of 1981 the department estimates production at 534,000, or nearly 12 per cent below the 605,000 for the same period last year.

Output of commercial vehicles in July, again on the seasonally-adjusted basis, was 24,200 compared with 40,500 in the same month last year and 19,200 in June.

The figures suggest that the bottom of the trough was reached in May this year.

During the fisrt seven months of 1981 commercial vehicle production was only 128,600, more than 50 per cent below the 259,000 for the same period last year.

Automatic personal loans for directors

BY ERIC SHORT

THREE BIG life companies — Royal Insurance, Legal and General Assurance and Crown Life—are expanding their lending operations by offering personal loan facilities on generous terms to directors and senior executives.

The granting of the loans is automatic: no inquiry is made into the purpose of the loans, and the only requirement is that the director or executive is a member of an executive pension arrangement taken out with the life company.

Interest is charged at a few points above base rate (or MLR in the case of Royal), but under the schemes from Legal and General and Crown Life the interest payments can be rolled up until ultimate repayment. The loan has to be repaid by the time the director retires.

The maximum amount of loan is related to the value of the director's pension stake in the scheme, but the pension scheme itself cannot be used as security for the loan. The director must pledge other personal assets, such as his house or a share portfolio.

Nevertheless, the life companies envisage that the director will use the tax-free cash sum available from the scheme at retirement to repay the loan.

The latest move offers loan facilities to directors similar to loan-back facilities recently made available to the self-employed.

The loans for directors are distinct from the "loan-back" facilities available to the parent company under some executive pension arrangements. Here the money is borrowed by the company on commercial terms and the loan becomes part of the assets of the pension scheme.

Company acquisitions hit four-year low

BY ELAINE WILLIAMS

SPENDING on company acquisitions in the second quarter of 1981 was the lowest recorded figure since the first quarter of 1977, says British Business, official magazine of the Department of Trade.

A total of 110 companies costing £194m were acquired in the second quarter of this year, compared with 120 worth £297m in the first.

The largest acquisition in the second quarter was that of Alexander Shand, a British Petroleum subsidiary, bought by Charter Consolidated for £22.6m.

Four other acquisitions cost more than £10m each. They were Robertson Foods, acquired by the Avana Group for £20.5m; Provincial, acquired for £17m by Hawley Leisure; Central Manufacturing and Trading Company, bought by LK Industrial Investments for £14.5m; and Warner Holidays, bought by Grand Metropolitan for £11.8m.

- Company liquidations in 1980 were at a higher level than in previous years, though they still accounted for less than 1.5 per cent of total companies in operation, says British Business.

The higest failure rate, 4 per cent, was in the textiles and clothing industry with 3 per cent in timber and furniture; and 2 per cent in manufacturing.

The lowest failure rates were recorded in agriculture, under 0.5 per cent; and in wholesaling and garages, where failures accounted for less than 1 per cent of total companies.

Hard line Tories rally round Thatcher

By Elinor Goodman, Lobby Correspondent

CONSERVATIVE PARTY hawks began rallying round the Prime Minister yesterday in an attempt to counter the impression that the Government had lost the support of its own backbenchers for its economic strategy.

Sir William Clark, chairman of the Tory backbench finance committee and an economic hardliner, saw Mrs. Thatcher for half an hour to put what be insisted was the view of the majority of Conservative MPs that the Government should not be tempted to change course now.

Sir William, like many Tory MPs, was incensed last weekend by the way Lord Thorneycroft, 72, the party chairman, publicly contradicted the Chancellor's views on the recession.

Afterwards Sir William complained that the remarks had been bad for party morale, and there was speculation that at yesterday's meeting with Mrs Thatcher he might urge her to bring forward Lord Thorneycroft's retirement.

But after the meeting he would say only that he had assured her that she had the "overwhelming support of her backbenchers."

He claimed that "at least 90 per cent" of Tory MPs supported Government economic strategy, and that the impression created by Lord Thorneycroft's remarks, and to a lesser extent by the speech at the weekend of Mr Francis Pym, Leader of the House, that the party wanted a change of strategy was "totally untrue."

The Prime Minister has shown herself adept in the past at using the Tory backbench committees to rally support for her views. Yesterday Sir William proved himself a particularly valuable ally.

In the Cabinet the hardliners increasingly find themselves in a minority, and despite Sir William's claims that the great majority of backbenchers support the policy, many share Lord Thornycroft's pessismistic views on the economy.

A number of names have been canvassed as possible replacements for Lord Thorneycroft in the past few months, including Mr Pym; Mr Michael Heseltine, the Environment Secretary; and more recently Mr Norman Tebbit, the Industry Minister.

Mrs Thatcher leaves today for an eight-day holiday to the West Country, and may well use the break to mull over changes to her team. It seems virtually certain that she will make some Cabinet changes early in September.

270 jobs to go

BRITISH TIMKEN, roller-bearing maker, plans to make 270 workers redundant at its Duston plant in Northamptonshire.

The company said the job cuts were the result of continuing low demand for its products. Orders were not likely to improve in the foreseeable future.

Singapore expansion

VICKERS DA COSTA, the stock-broking firm chaired by Sir Kenneth Berrill, plans to expand into Singapore.

At present James Capel is the only UK broker represented in Singapore.

Rowland elected

Mr R. W. "Tiny" Rowland, chief executive of Lonrho, has been elected deputy chairman of The Observer. The Department of Trade last month gave approval for George Outram, a Lonrho subsidiary, to take over The Observer from Atlantic Richfield, the American oil company, subject to conditions designed to safeguard editorial independence.

Housing survey

HOUSE-BUILDERS and planners have joined forces to launch an independent inquiry into Britain's housing needs.

A working group, called the Joint Land Requirements Committee, which includes representatives of the House-Builders' Federation, the Royal Town Planning Institute and the Housing Research Foundation, has been set up to provide an impartial view of national dwelling stock and land requirements.

The men of violence who have robbed Northern Ireland of its hopes

Stewart Dalby explains why Ulster's jobs drive has foundered

TWO YEARS ago it was possible to talk about Northern Ireland's unemployment rate returning to what passes for normal in the troubled province. New jobs, it seemed, could be found in sufficient numbers through new foreign investment and expansion of existing ventures to reduce the number of jobless to pre-troubles levels.

These hopes have been dashed, however, by a combination of recession and the violence surrounding the hunger strikes.

In 1968, when the present bout of sectarian strife began, the unemployment rate was 7 per cent—or about twice the level of mainland Britain. The province follows the mainland economy closely except that with the decline of its traditional industries and its lack of energy sources, it has always had a higher unemployment rate.

Northern Ireland entered the recession about two years ago with an unemployment rate of 11.5 per cent—65,000 registered unemployed out of a total workforce of 560,000.

The Department of Commerce estimated then that if unemployment was to be reduced to single figures, the province would have to find 7,000 new jobs net a year for several years. This would allow for new labour coming on to the market and also take up the slack arising from the loss of jobs in declining industries and agriculture. After a period when no new foreign companies set up in Northern Ireland eight new concerns were established in 1978 and 1979.

They were attracted by the Government's offers of grants, loans and equity investments, which can amount to nearly 90 per cent of the start-up cost of a project.

The best-known venture was the De Lorean Motor Company, which should eventually employ 2,000 people in its car plant in West Belfast. The project has cost the British taxpayer more than £70m in grants and loans, although the Northern Ireland Development Agency (NIDA) recently received its first royalty cheque from De Lorean.

However, the cost of creating new jobs in Northern Ireland is running at more than £30,000 a job. This compares with an estimate by the Industrial Development Authority in Dublin of between Ir£6,000 and Ir£7,000 (£4,811-£5,645) a job. The new companies created new jobs in 1978, 1979 and part of 1980 at an annual rate of about 2,000. Established companies were also investing more and altogether something like the necessary 7,000 jobs a year were being found.

Then last year the recession began to bite and Northern Ireland started hitting the headlines again, largely because of the hunger strikes.

Closures have driven the unemployment level up to 18.5 per cent, with companies such as ICI, Courtaulds and British Enkalon, in the textiles sector either closing down their Northern Ireland operations, or severely cutting staff levels.

At the same time, the renewed intensity of violence has seemed to frighten off new investors. The hunger strikes, which started last October and have gone on in one form or another, have created world-wide publicity. This has rekindled the notion that the province is a violent place. No large company of note has shown a willingness to invest in Ulster for more than a year. New job creation, whether externally or internally generated is running at only 1,700 jobs a year.

Coopers and Lybrand, the management consultants, recently estimated that unemployment could rise to about 125,000 jobs or 21.5 per cent.

The overall employment figures also mask special and potentially disruptive peculiarities of Northern Ireland. Catholics are two and a half times as likely to be unemployed as Protestants.

As in other places where old industries have declined—such as shipbuilding, engineering and textiles—a large service sector has sprung up.

Services now account for 67 per cent of the workforce, against 25 per cent for manufacturing. Activity rates for women have also picked up. In 1978 women accounted for some 46 per cent of the workforce, although this level has declined again with the recession.

Meanwhile, the cost of Northern Ireland to the British taxpayer continues to rise inexorably.

In the financial year to April, total spending in Northern Ireland was just under £3bn. This was funded 63 per cent or £1.85bn locally and 37 per cent from Westminster.

It is a mistake to try to estimate how much is spent on individual areas like insurance for bomb damage or aid to industry because all spending comes out of the gross figure.

However, the net inflows are roughly as follows:

- The grant in aid, which is the balancing item, £650m
- Transfers for National Insurance, £100m
- Law and order, prisons, compensation and other items £310m

Also there was a special dispensation to keep electricity costs down £40m

- Transfer for agricultural purposes £50m

This meant the net inflow excluding the cost of the Army was about £1.05bn

The extra cost of the Army is put at about £100m. The argument here is that the Army would be somewhere, probably in Germany, but as it is more intensely operational in Ulster it means extra costs.

THE PROPERTY MARKET

BY ANDREW TAYLOR

GLC OFFICE POLICY

Conversion row at Covent Garden

A PROPOSAL by the Labour-controlled Greater London Council to convert a new Covent Garden office scheme into housing could cost London ratepayers an extra £900,000. The office development has already cost the GLC £800,000.

Work on converting former warehouse premises, in James Street, into offices — with shopping on the ground floor — is almost completed. The first tenants had expected to move into their new offices this autumn. But at the last minute the GLC, in line with its "housing before offices" policy, is considering a change of plan.

The council is proposing that the office suites be reconverted into housing, possibly for one- or two-person families. More than 20 units could be provided and council officials have provisionally estimated that the cost of conversion may be as high as £900,000. The ground floor shops would be unaffected by a change in policy.

A report to the GLC planning committee from the council's controller of finance, however, warns that the new project would be unlikely to attract any subsidy from the Department of Environment—after taking into "account the expenditure on abortive office provision and the substantial loss of office income that would result from the use of the building for housing."

The controller adds a further warning that councillors might face the possibility of personal surcharges if the housing scheme goes ahead. He says that the council could "be open to challenge that the expenditure on converting the space at James Street to houses at this late stage was not reasonable."

Conversion of the offices—whether the scheme proceeds will depend upon final estimates of costs—will be a blow to at least one firm of architects, Bader Miller Davies, which had expected to move into James Street in October. The architects will have to move from their present premises in Great Russell Street, as their lease has run out and the site is to be redeveloped.

The firm had already agreed with the former Conservative-controlled GLC that it would be moving to James Street and had even received legal documents outlining terms of the lease. However, a deal was never signed.

The James Street area had originally been designated for housing but this plan was changed when the Conservatives took control of the GLC in 1977. The Conservatives' plan was to establish housing in Matthews Yard to the north of Covent Garden.

A spokesman for the Labour group at the GLC said that the council was sympathetic to the problems of companies which had planned to move to offices at James Street but that there was a very urgent need for housing in the Covent Garden area, particularly as plans to develop housing at Matthews Yard had been delayed.

Labour members have also queried the provisional estimates of the cost of reconverting James Street.

Office developments through the net

THE NEW GLC put its aversion to office development in perspective last week when its planning committee passed three mixed developments incorporating 850,000 sq ft of office space.

The successful applications were:

● Raybeck's plan incorporating 170,000 sq ft of office development, 106,000 sq ft of shopping, 52 flats comprising 48,000 sq ft and parking for 327 cars at its Bourne & Hollingsworth site in Oxford Street;

● the borough of Waltham Forest, for 280,000 sq ft of additional shopping space, 300,000 sq ft of offices and parking for 1,500 cars in Walthamstow; and

● Unigate/Metal Box, for 225,000 sq ft of warehousing, 191,000 for industrial use, 400,000 sq ft of offices and 24,000 sq ft of housing, with the provision of landscaping areas, on two adjoining sites at Western Avenue and Kendal Avenue in Ealing.

A GLC spokesman said that all the schemes had satisfied the council's new development policy which does not permit new office schemes unless these stimulate additional industrial jobs or provide some other benefit to the community such as housing and other amenities.

In the case of the Unigate/Metal Box application the council has approved the scheme provided that 120,000 sq ft of the office accommodation is to be occupied by Unigate — a further 150,000 sq ft would be ancillary to the industrial/warehouse development, leaving just 130,000 sq ft for independent office use.

Since coming to office in May the Labour-controlled GLC has approved office developments totalling around 1.7m sq ft.

Renewed attack on enterprise zones

A NUMBER of serious criticisms were raised by property developers and some industrialists when the Government first announced its plans to create new style enterprise zones, offering a wide range of financial incentives. Already some of these reservations appear to have been justified.

Studies of recent lettings at enterprise zones in Swansea and Trafford Park near Manchester show a disturbing trend, with a number of companies moving out from surrounding areas to take advantage of the benefits offered by enterprise zones. This has led to fears that some of these surrounding areas will eventually become blighted.

More worrying is the possibility that some landlords may seek to take advantage of the growing demand for enterprise zone accommodation by increasing rents. At least one developer has reported a doubling of industrial land values in Swansea since the boundaries of the new zone were announced.

Some significant differences have also emerged between rents being charged, inside and outside zones, for similar sized properties. In the case of Trafford Park however this is because rents outside the zone have fallen, rather than because those inside have risen.

A study recently completed by a group of Manchester businessmen and industrialists shows that rents for standard sized factory/warehouse units immediately outside the Trafford Park zone are currently averaging around £1.25 a sq ft. This compares with rents of between £1.60 and £1.94 a sq ft being achieved for comparable units inside the zone.

The report produced by the Enterprise Zone Action Group suggests that as much as 80 per cent of the space let on three industrial estates inside the zone has been to local companies which on average have moved from less than five miles away.

Figures produced by Elliott Son and Boyton, which has handled most of the recent lettings in Trafford Park, indicate that these estimates may be too high but very few of the most recent tenants appear to have come from more than 15 miles away from the zone boundaries. Equally lettings appear to have created very few new jobs.

The Action Group also argues that companies outside the zone which either own their premises or are paying historically higher rentals are at a competitive disadvantage to those now inside the zone.

The recent experience of Finance for Industry which is developing two industrial estates—one inside the Swansea zone and one just outside the Trafford Park zone—provides further evidence of the sort of distortions which are being created as a result of the Government's new measure.

Of the nine lettings so far agreed at the 60,000 sq ft Swansea estate, all are to companies with existing operations in West Glamorgan and most appeared to have decided to move primarily to take advantage of the benefits now offered by enterprise zones. In some cases, however, it could be argued that the zone has stimulated expansion, as at least three companies have taken more space than they had previously occupied.

Finance for Industry has not sought to take advantage of zone status by increasing its rents but at the Stretford Motorway Estate, Manchester, the developers have reduced rentals to just 99p a sq ft in the first year of occupation in order to offset the attractions offered to potential tenants in the nearby Trafford Park zone.

Dixons in New York office deal

THE MAJOR New York office deal announced this week by Airways Pension Scheme is an all-British affair, with the property development division of Dixons Photographic flying the flag alongside the British Airways pension fund.

The pension fund is financing the construction of 280,000 sq ft of offices by Dixons in Broad Street in downtown New York. The British based agents and chartered surveyors, Jones Lang Wootton, are to project-manage the development which is due for completion by the end of 1983.

Dixons is thought to have paid around U.S. $10m to private interests in New York to acquire the Broad Street site. Building costs, after taking into account finance charges, could be as high as U.S. $45m.

The sale price to Airways Pension Fund on completion will be based on rentals achieved on letting the building. With the asking rent currently around U.S.$35 a sq ft the building could have an investment value of around U.S.$60m, indicating a yield to the pension fund in the area of 10 per cent.

Although Dixons has been involved in property development for a number of years it is only in the last three or four years that it has been seriously expanding this side of its business and quoting property profits separately from its retail earnings. In the year to May 2 property development accounted for £2.2m of Dixons £10.8m pre-tax profits.

The group currently has around 20 schemes under way in the UK, ranging from shopping developments to small office refurbishments. Dixons is currently involved in a planning inquiry into the development of the strategic 4-acre Horsefair site at Kingston-upon-Thames.

In 1980 Dixons established a new U.S. property division. Mr Ralph Kalms, executive director of the division, said yesterday that the group was now working on several U.S. projects including residential developments in Florida and Phoenix, Arizona, as well as a 20,000 sq ft office refurbishment in New York.

UK NEWS—LABOUR

Engineering unions plan 'substantial' pay claim

BY JOHN LLOYD, LABOUR CORRESPONDENT

UNIONS REPRESENTING 2.5m workers in the engineering industry yesterday finalised a claim for a "substantial" pay increase, to be put to the Engineering Employers Federation later this month.

However, the federation has already made it known informally that many of the claims for improvements in working conditions included in the Confederation of Shipbuilding and Engineering Union claim would be ruled out of court during negotiations.

The federation has said that a clause in the 1979 award specified that the unions would not seek to advance conditions until the 1983 negotiations, with the exception of conditions for apprentices aged 16. The CSEU had "taken note" of this objection.

It is expected that the unions will hear a gloomy view of the industry from the EEF when they present the claim, probably on August 27.

In its presentation of the traditional economic review, the federation is expected to argue that conditions in engineering are no better than last year. The pay award for 1980 was 8.2 per cent.

Among the improvements in conditions claimed by the union are a restoration of the unskilled rate to 80 per cent of the skilled rate; a common anniversary date of November 1; an increase in apprentice rates; overtime to be paid at time and a half; a limitation to overtime; and an "equal opportunities" clause.

Skilled rates in the engineering industry rose from £73 a week to £79 a week last year. However, these are national minima, which are generally considerably increased by local bargaining.

● Workers at the Laurence Scott electromotors plant in Manchester, who have been occupying the plant in protest against a redundancy threat, were instructed yesterday to end their occupation by the CSEU executive.

The executive also instructed the 500-plus workers to abide by an agreement reached last month between CSEU officials and the company's owner, Mr Alfred Snipe, which guarantees a minimum two-day week for a further three months.

The workforce overturned that agreement at a mass meetin gin Manchester two weeks ago, and continued a three-month occupation of the plant.

Two unions—the Transport and General Workers and the white-collar union Apex—have continued to pay strike pay since the mass meeting. They will now stop strike pay and instruct their members to obey the CSEU directive.

Directors urge review of wages councils

BY OUR LABOUR STAFF

A REVIEW of wages councils and of minimum wage laws has been called for by the Institute of Directors.

In a letter to Mr. James Prior, the Employment Secretary, Mr. Walter Goldsmith, the institute's director general, said wages councils must be made compatible with the employment subsidy scheme for young workers, announced by the Government last month.

The scheme encourages young workers to accept what the Prime Minister described as "realistic" wage rates (below £40 a week), and pays employers £15 a week for every such new employee in the first year.

Mr. Goldsmith said: "By definition, wages councils are found in the very industries with the greatest opportunities for youth employment. Government exhortations to wages councils to introduce a measure of flexibility seem unlikely to have any significant effect."

Mr. Goldsmith said that because the councils have the powers to issue regulations on minimum pay levels which have the force of law, they are beyond ministerial control.

The letter also objected to the attempts by the TUC to extend national wage bargaining. "It is clear that attempts to link pay to productivity depend upon a move away from national pay bargaining," it

Working parents get tips on jobs

By Pauline Clark, Labour Staff

BRITAIN'S BIGGEST white-collar trade union is launching a campaign to achieve a better deal from employers for working parents.

The 800,000-strong National and Local Government Officers Association is publishing today a booklet, Rights of Working Parents—a negotiating kit, designed to help members negotiate better employment conditions that are of special concern to workers with young children.

The booklet comes in a year when, for the first time, Nalgo has seen women form a small majority of its membership. But it emphasises that the aim is as much to secure better conditions for fathers as for mothers.

Ms Sheila Smith, chairman of Nalgo's national equal opportunities commission, says: "The campaign around equal opportunities has always focused on choice. It is our view that women and men should have a right to opportunities for training and promotion that can open up new possibilities at work.

"Exercising that right means that outmoded assumptions such as 'a woman's place is in the home' and 'a man's role is as the family breadwinner' must be questioned."

Among policies described as central to Nalgo's equal opportunities campaign are: attaining improved maternity leave and maternity pay; introducing paternity leave; and fighting for parental leave which can be taken by either parent after the birth of a child.

The booklet argues that children too often are an occupational disadvantage, especially for women who have to choose between having children or a career because of lack of nursery facilities, inadequate maternity rights, and a lack of provision for children's sickness.

Union to offer cut-price fees for jobless members

BY OUR LABOUR CORRESPONDENT

BRITAIN'S third largest union, the General and Municipal Workers Union, is launching a drive to assist the unemployed.

Mr David Basnett, GMWU general secretary, has asked the union's regions to appoint an official with special responsibility for the unemployed, to work closely with the growing network of TUC unemployment centres and to attempt to keep on redundant workers as members at the reduced rate of 2p a week.

The GMWU, which has suffered a heavy loss in membership because of its involvement in high unemployment sectors, is one of a number of unions which is attempting to organise unemployed workers.

● The chairman of the TUC, Mr Alan Fisher, general secretary of the National Union of Public Employees, has said that "disillusioned school leavers are ready recruits for extreme right wing organisations which can be very dangerous in the present situation in Britain."

In an interview in the West German magazine Socialismus, Mr Fisher says that one possible solution is for trades councils to bring the unemployed into a general trade membership category, to be transferred to a specific union on finding work.

TUC call for investments

THE TUC will continue to press for "a massive public sector investment programme," Mr Len Murray, the TUC general secretary, said last night.

Speaking at Central Electricity Generating Board's Dinorwic hydro-electric station, in North Wales, he said: "The electricity that the scheme at Dinorwic will soon be pumping into the national grid refutes yet again the propaganda that the Government is constantly pumping out against the nationalised industries.

"Dinorwic is good news for Britain and I wish ministers would come here and take a look at it and stop their belly-aching."

He added: "In sharp contrast to the Government's denigration of Britain's workforce, it is proof of the ways in which unions and employers—public and private—can work together to rebuild our basic industries, in spite of the Government's hostility to unions."

Leyland claim

THE 6,000 shop-floor workers at Leyland Vehicles in Lancashire are seeking a pay rise of 15-20 per cent. Last year, they settled for 7.3 per cent.

A union official at the Leyland and Chorley plants said that the workers were about £25 a week worse off than their counterparts in other local factories.

John Lloyd explains why British Rail is keeping 9,000 jobs vacant

'Bit of bother' on the line

BRITISH RAIL has more than 9,000 vacancies.

It does not, however, want 9,000 applicants from the ranks of the unemployed, or anywhere else.

Many of these jobs—probably most—are being held open for employees who will be displaced, or are being displaced, from other parts of the system.

For example, 6,000 jobs disappeared this year when BR closed down its collect and deliver parcel service, but it did not lose 6,000 workers. Many were redeployed, and that process will continue.

Thus there are 9,000-plus vacancies on present staffing arrangements. It is these that BR wishes to change in its productivity package, about which there is, as Mr Sid Weighell, general secretary of the National Union of Railwaymen, would put it, "a bit of bother."

For a significant minority of the unfilled vacanies, a point made by both Mr Weighell and Mr Ray Buckton, the general secretary of the drivers' union Aslef, does apply. This is that the hours are too long and too unsocial, and the wages too low, to attract staff. The table shows that the basic rates are low, and that overtime rates of 25 per cent are the rule.

However, the manning levels are agreed, and thus when a train lacks a guard—even though BR believes it can run without him—a guard must be employed or the train does not run. In many cases in recent years, a guard has not been employed and the train has not run.

BRITISH RAIL PAY — SELECTED GRADES — AT APRIL, 1981

Grade	Basic pay	Average pay	Average weekly hours worked
Senior signalman	106.60	184.03	50.9
Driver	93.76	137.15	44.8
Guard	73.40	119.78	49
Trackman	64.50	106.60	51.5
Railman	58.75	103.19	52

Sir Peter Parker, the BR chairman, made the point somewhat ruefully in a speech this year to the Chartered Institute of Transport. He said: "In 1979, with freight tonnage at historically low levels, we managed to capture 3m tonnes of new buhiness, most of it from road. But we had to turn away £15m of freight business because of lack of guards—ironically, guards we don't really need—and shortages of serviceable locomotives; 3 per cent of passenger trains were cancelled for similar reasons."

British railwaymen, in fact, work far longer hours than continental counterparts. The Leeds University comparative study of continental railways, based on 1977 data, showed that British railwaymen put in an average of 2,222 hours yearly, while the other nine European countries' workers did between 1,777 hours (France) and 1,650 hours (Finland) a year.

Turnover also appears high, though it has reportedly slowed since unemployment began its dramatic climb last year. The Monopolies Commission report on London and the South East Commuter Services last October found "a significant loss of experienced staff.

Much of that turnover, the report continued, was among young workers, many of whom did not stay long enough to complete their training period, and thus become full productive. This is expansive: BR estimated that, in 1979, the cost of replacing guards alone (recruitment and training costs) was £3.5m.

BR says its productivity package, especially those measures relating to the restructuring of the grades, would allow more flexible recruiting. It would also entail further heavy redundancies—38,000 in five years are looked for—and it is this hard fact on which the unions are choking.

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MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

How the pen made Sord mightier

A Japanese entrepreneur who started a computer company with a 'pencil and paper' eleven years ago is expanding around the world. Charles Smith reports

JAPAN'S micro-electronics revolution has been remarkable up to now for having been carried through by familiar household names rather than by venture capital backed companies of the type which have become common in the U.S.

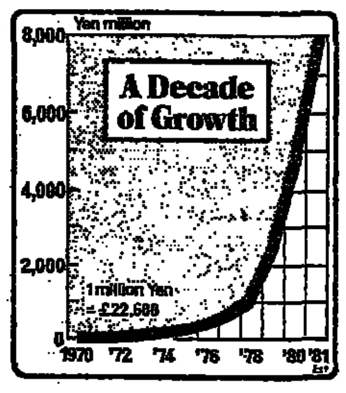
An exception is Sord Computer Systems Inc., a company with an almost ridiculously high growth rate which was founded eleven years ago and now claims a dominant position in the micro-computer market.

Sord's chairman, Takayoshi Shiina, who, like most of his fellow directors, is not yet 40, says his aim in life is to reverse the normal trend in the Japanese computer industry whereby software and programming costs are rising almost as fast as hardware costs are coming down.

But producing cheap "packaged" software is not Shiina's only objective. "We also work on the principle that every new product we introduce should cost one-tenth of the price of the product we aim to compete with."

Shiina and the group of people, all coincidentally 37-year-olds, who represent the brain-power behind Sord — the name is derived from the first two letters of "soft" and the last two of "hard"— are not out of Japan's educational top-drawer. Shiina himself went to what he describes as a "second or third class" municipal high school in Tokyo in the early 1960s before entering Japan's Defence University with the object of becoming a soldier.

Takayoshi Shiina: "I could borrow Y2bn in five minutes"



A rapid switch from defence to electronics ("because I realised that only people with family connections could succeed as soldiers") took Shiina to a large but undistinguished private university where he met many of his future colleagues at Sord. "I had decided while I was still a student that I would start my own company," he says. How he set about doing so could be a pattern for young Japanese entrepreneurs anxious to avoid the approved — but sometimes monotonous—career course of life-long service with a big Japanese employer.

After leaving university with a degree in electronics Shiina worked for two years as a salesman for a Japanese trading concern which imported small computers made by a major American manufacturer. Having proved himself a "$½m salesman"—and learnt the basics of computer programming, customer servicing, etc—Shiina then formed a three-man company consisting of his uncle (as president), himself and his mother. The company's stock in trade was a pencil and paper; its business consisted of selling programs to established computer makers which had neither the time nor the staff to keep up with their own software needs.

In its second year Sord had raised enough capital (Y650,000 —£1,500—to be precise) to start producing its own hardware but at this point "we ran into a major problem," Shiina recalls. This was to design and manufacture a micro-computer costing only Y500,000 (just over £1,000, or one-tenth of the price of models then on the market in Japan) when the purchase price of the core memory for such a machine was precisely Y500,000.

Shiina solved the problem by deciding to use eight one kilobit LSI memory chips in place of the more costly ferrite memories which were at that time being used by bigger manufacturers. He bought the chips from Intel—and continued buying American rather than Japanese components until 1977 when it was finally felt that Japan had overtaken the U.S. in its ability to produce cheap and reliable semi-conductors.

Shiina's half-million yen micro-computer was an immediate success, providing the take-off point for an 85 per cent annual growth rate in sales which continued for the next five years (although the original 8 kilobit memory model has of course long since been superseded by larger and more powerful machines).

Today SORD boasts a range of five main micro-computer models all with eight kilobit microprocessing capacity but with memories ranging up to 256 kilobit and beyond. It claims a 70 per cent share of the Japanese market for computers priced between Y700,000 and Y2m and is in the process of expanding its range both upwards and downwards.

The company's upward offensive takes the form of the M416 model, introduced in April this year with a 16 kilobit microprocessor and the ability to perform much the same tasks as larger and more costly office computers. At the bottom end, Sord announced in May a machine weighing 3.5 kilogrammes and costing Y250,000 (the M20) which it claims can perform almost any of the tasks needed for "personal office automation."

Simultaneously with the release of the M20 and M23 "bottom of the line" models Shiina came out with what he claims is a revolutionary new system for programming standard business tasks. Called Pips (Pan Information Processing System) the system uses "standard commands" that can be transmitted on a typewriter-like keyboard and takes a maximum of three days to learn. It can be used to make workable programs in as little as five minutes (says Shiina) in place of the two to three months that programming can take if done in the traditional ways.

Sord aims to open a chain of programming shops: the first British one will be in Liverpool and can be serviced from Orange Computer (above). Sord's subsidiary in Dublin opened earlier this year

Shiina's plan for Pips is to set up a nationwide franchise of computer programming shops ("just like Macdonald hamburgers") which will provide an "instant programming service" for users of the M20 and M23. He expects to have 200 "Pips Inns" operating before the end of 1981 and after that to start moving overseas.

The first British Pips Inn will open in Liverpool—the nearest British city to the Sord manufacturing subsidiary. Orange Computer, which opened in Dublin in January this year (and which Shiina says turned in a profit of Y30m in its first six months). Europe (with France in the lead) takes the lion's share of Sord's exports which accounted for about 25 per cent of total sales last year.

Sord computers have yet to land in the U.S. but will be doing so shortly. All that is holding them up is a decision by Shiina on whether to enter the market under the company's own brand name or to use the OEM method of selling through an established Western manufacturer as most other Japanese computer manufacturers are doing at present.

Shiina's breakthrough in computer hard- and software technology has not been achieved without effort and expense. The company spends about 11 per cent of its sales revenue on R and D, roughly double the ratio for large technology-oriented Japanese companies like Hitachi and Toshiba.

Investment in new factories, to keep up with the fast growing demand for Sord computers has also cost a lot: at the moment Sord is in debt to the tune of about Y800m to four large Japanese banks (Sumitomo, Fuji, Mitsubishi and Mitsui), but financing is no problem. "I could borrow Y2bn in five minutes if I wanted," says Shiina.

The next big move on the manufacturing front will be to open a factory in Singapore. After that the future is less clear, but Shiina is certain about one thing: "My ambition," he says simply, "is to be another Mr Matsushita."

GEC explains HQ to its workforce

"THE TROUBLE is, many of our employees think Lord Weinstock runs everything," reflects a senior director at the General Electric Company. This widely held belief within the company that it is run from headquarters persists despite the fact that GEC's policy is to push responsibility down to individual operating units.

GEC's most recent employee attitude survey found that only one-third of its employees thought the company was run locally by local managers. And, significantly, only two-thirds of the managers believed it as well.

Coinciding with the publication today of GEC's annual report and accounts both shareholders and employees are being sent a simplified set of accounts with a considerable amount of space devoted to describing how GEC, a very diversified and decentralised group, is run—as seen by head office.

This document gives a basic rundown on the size and function of the headquarters. It also describes its relationship with the subsidiaries and how it monitors them on a monthly basis—some 30 figures are provided by the subsidiaries including sales, profits, orders, stocks, exports, employees and so on as well as the seven "key ratios" by which GEC measures efficiency.

And it explains what happens when something starts going awry: "If the performance of a business deteriorates or falls behind its budget and its explanations are not totally satisfactory the phone will ring and headquarters will ask exactly what is being done to put matters right. Headquarters is not known for being backward in offering the odd suggestion and, indeed, some suggestions can be powerfully put, but the responsibility for deciding what to do stays with the local management."

Of GEC's reputedly much feared annual budget reviews when senior managers of each business are grilled by top management, it comments pithily: "These meetings can be lively."

The report will not tell avid GEC watchers much they did not know already—it is not supposed to. But it is still interesting to see GEC describe how it sees itself working. It is aimed at both the shareholders —on the assumption that only 5 per cent of recipients of the main accounts will go through them with a toothcomb—and employees.

GEC, generally praised for its good internal communications, has this year adopted a different approach from its simplified annual accounts. Last year's employee accounts were supplemented by an independent film of the company which was shown to practically all of its 157,000 employees in the UK in the space of a few weeks (Described by John Lloyd on this page, April 24 1981).

Sara Morrison, a main board GEC director whose responsibilities include communications, says that the survey of last year's simplified accounts showed that 25 per cent thought it talked down to them. Also a great majority of people said they wanted to know more about how GEC is financed and run.

This year the format has been changed from a booklet to a single poster sized sheet printed on both sides and suitable for putting on notice boards. Although almost all employees say they would like to see the accounts, three quarters was the highest score of those who did so in any one unit last year. The enthusiasm of management in the different units for head office's ideas on employee communication varies considerably.

The level of the message in the accounts is pitched several notches above last year's fairly "pop" approach. "Those who get it will read it and they will make highly critical remarks," says Sara Morrison, adding with glee: "There will be a lot of flak over the format. People are going to thoroughly enjoy pulling it apart."

Around 300,000 of these accounts will be distributed to employees and shareholders. Employees can also ask for the main report and accounts and also the annual review of activities sent to shareholders.

GEC admits that the tangible benefits of such an exercise—which is in addition to employee accounts for the operating units and other consultation procedures—are hard to quantify.

As one director put it: "We have been doing this since 1976 and relationships are better. It is bringing work people and management together . . . there are fewer disputes . . . management can learn more as people on the shop floor know more about what is going wrong with production."

Sara Morrison agrees that the benefits are intangible—"I have given up pretending you can prove them"—but has an infectious enthusiasm as to how increased communication can affect attitudes and understanding. The greatest scepticism to the notion comes from middle management; it is they who turn out to be the most surprised at the enthusiasm for it among employees. Some also find it increases their involvement with employees.

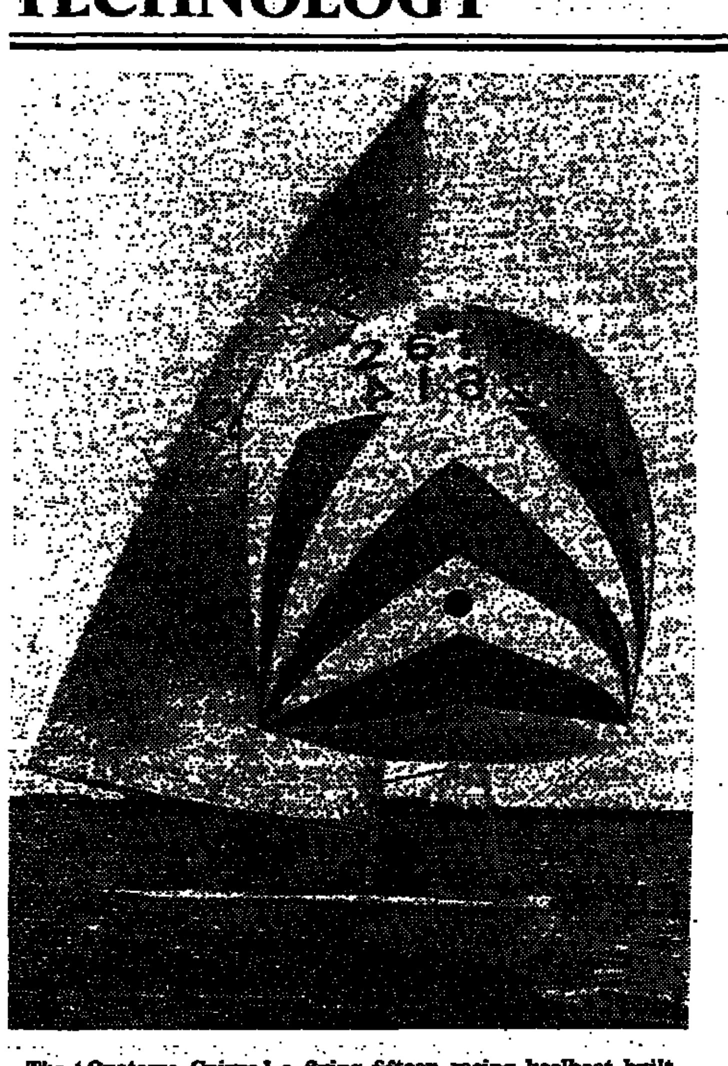
Lord Weinstock's own message in the simplified accounts urges managers to take more trouble in giving information about business performance and commends the virtues of finding ways of working together in order to progress.

According to the latest version, of those reacting to last year's film, half thought it was a true picture of GEC; the other half that it was management propaganda. Craftsmen were the most suspicious.

Jason Crisp

TECHNOLOGY

EDITED BY ALAN CANE



The 'Quatorze Cuivre' a flying fifteen racing keelboat built with the copper anti-fouling compound.

Copper sends Barnacle Bill to the scuppers

BARNACLE BILL could be the man of the past because of a British breakthrough to incorporate a copper compound into boat hulls to prevent fouling by marine organisms. MAX COMMANDER reports.

WEEKEND sea sailors with glass reinforced plastic (GRP) hulls have long been bedevilled by the problems of marine fouling.

Anti-fouling paints containing cuprous oxide and/or complex tin compounds have been the usual and fairly effective answer. But these do have disadvantages. Application is time consuming and the number of applications can be considerable, depending on the amount of time the vessel spends in sea water.

It has long been recognised that there was a need for a treatment which could be incorporated at the time of building, would last longer, and prove more effective against the growth of marine organisms.

The Copper Development Association, an inventor, a polymer chemistry company and a boat builder believe they have come up with the answer—copper bottomed boats.

Modern technology seems to have found the answer to something known in the 18th Century when the Admiralty sheathed Royal Navy wooden vessels with copper to beat the same problem.

The Copper Development Association, Building finishes of Chalfont St. Peter, Scott Bader of Northants knew all about 18th Century work but with the growth of GRP yachtsmen decided that there must be a way of building in a copper based anti-fouling compound at the time the hull was constructed.

The result was "Crystic Copperclad." Manufactured by Scott Bader, the copper containing gelcoat is applied when the hull is built. It contains a high concentration of copper particles and also acts in the prevention of osmosis.

The original proposal from inventor Hugh Nesling of Building Finishes suggested the suspension of copper powders in polyester resins. The idea was greeted with enthusiasm but some scepticism since it had long been known that copper and copper compounds could seriously affect the cure of unsaturated polyester resins.

Scientists at Scott Bader took up the challenge and after intensive tests formulated the Crystic Copper Gelcoat which, they claimed, would cure to a hard scuff-resistant finish while still stable and easy to apply by normal GRP fabrication methods.

As a result the first boat in the world to be treated with copper anti-foul system was a "Flying Fifteen" racing keelboat launched at the end of last month. Copperclad is also being used on a 13.5m long 32 knot police boat for use offshore Trinidad and being built by W. A. Souter and Son at Cowes, Isle of Wight.

If you intend to have a boat built and would like to incorporate this anti-fouling system Scott Bader suggests about £3 per kilo enough to cover a square metre.

A full technical report is available from the Copper Development Association, Orchard House, Mutton Lane, Potters Bar, Herts (Potters Bar 50711).

Colour stills direct from a video signal

THE SHARP INCREASE in recent years of the number of colour CRT applications—in process control, viewdata, small business machines, instrumentation and of course in television techniques themselves—has led Image Resource Corporation in the U.S. to develop a system called Videoprint which enables high quality colour stills to be obtained direct from the video signal rather than by photography from the CRT screen.

There are a number of advantages. Videoprint does not have the problems of "barrel" distortion that are associated with direct off-screen photography. Most screens are curved, but the screen used within Videoprint is completely flat and has an excellent geometric specification.

According to the UK agent, Sintrom Electronics of Reading (0734 85464) there are also problems of colour density and match when photographing direct, largely due to the triphosphor structure on the tube face.

When any one of the three phosphors is energised the other two yield dark areas, as does the space between the phosphor groups. The result, in screen photography, is "muddied" colours claims Sintrom.

The technique used in Videoprint deploys a monochrome tube (with continuous phosphor coating) and the circuitry is arranged so that the three colour signals are presented one after the other as black and white pictures, an appropriate colour optical filter being used in each case to expose the film.

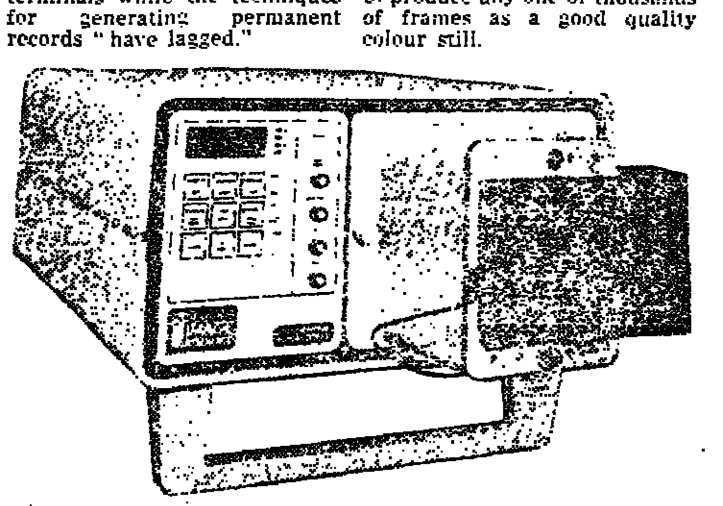
Exposure times for the red, blue and green frames are controlled according to the characteristics of the film used.

Three camera systems are available for use with Videoprint: a 35mm unit in which colour negative or positive transparency film can be exposed, an SX-70 unit for instant results using Polaroid film and a 4 x 5 camera which can employ negative, transparency or Polaroid sheet film.

Sintrom envisages a number of newer technology areas in which Videoprint might be used. One is computer-aided design, in which technology has advanced to provide colour terminals while the techniques for generating permanent records "have lagged."

Small business systems will increasingly use colour displays as will in-house viewdata, and Sintrom believes there will be a need to capture graphics data frames for paper report purposes.

Video is already used internally and externally by companies for promotion, presentations, training and the Videoprint system would be able to produce any one of thousands of frames as a good quality colour still.



The videoprint hard colour device.

Commercial applications of videodisc could also use Videoprint, especially in security areas. A disc could contain pictures of up to 180,000 personnel, any one of which could be assessed and converted to a paper print in a few seconds.

The company even predicts use in the consumer video market. It takes the view that still photography might well be replaced by video in the long term, stills being selected from the tape when they are needed.

GEOFFREY CHARLISH

.. POINTERS ..

● PLANT: A new development in static earth-proving equipment means that there is now no excuse for fires or explosions resulting from static electrical discharge into vessels which are assumed to be adequately earthed, according to Hiltcroft Precision Instrumentation of Knutsford, Cheshire. A new indicator unit, the B-H Type 2, has been designed specifically for industries handling highly flammable liquids. More on 0565 3504.

● RESEARCH: Ultra-Violet Products of Cambridge (0223 355722) Mineralight trans-illuminator (model C-63, specially developed for DNA-related research), has been equipped with a new combination of tube and filter assembly which increases the transmission of radiation by 250 per cent.

● SAFETY: An electrical fracture safety device, which, the company claims ensures positive electrical circuit discontinuity, has been developed by Leonard Machinery Services, Hitchin (0462 54515).

● LINE PROTECTION: A range of signal lines protection units, designed to protect electronic equipment—linked to private or British Telecom lines—from voltage surges caused by lightning or the switching of heavy machinery, is available from ATS Telemetry, of Haywards Heath, Sussex, (0444 52377). A standard two-wire unit costs about £30.

● COMMUNICATIONS: An advanced communications system for the M4 motorway is to be developed by Kennedy and Donkin of Woking (04862 5900) for the Department of Transport. The signalling and telephone equipment will be based on microprocessor techniques and the use of fibre optics is under investigation for a closed circuit television system.

● SPRAY GUN: Kremlin Spray Painting Equipment of Slough (0753 38143) have developed a system for applying mastic sealants, using the 50:20 pump and a modified version of the Kremlin M18 spray gun to give improved controllability, with no blobs or waste.

● AUTOMATION: An analysis of developments and strategies in the office automation market will be a feature of a two-day conference organised by the Yankee Group in London on September 10-11. Entitled *European technology update on integrated advanced office automation*, the event at the Cumberland Hotel, Marble Arch, will present the group's analysis on how users and suppliers can optimise the benefits of current and evolving technologies in office automation. More on 01-260 4714.

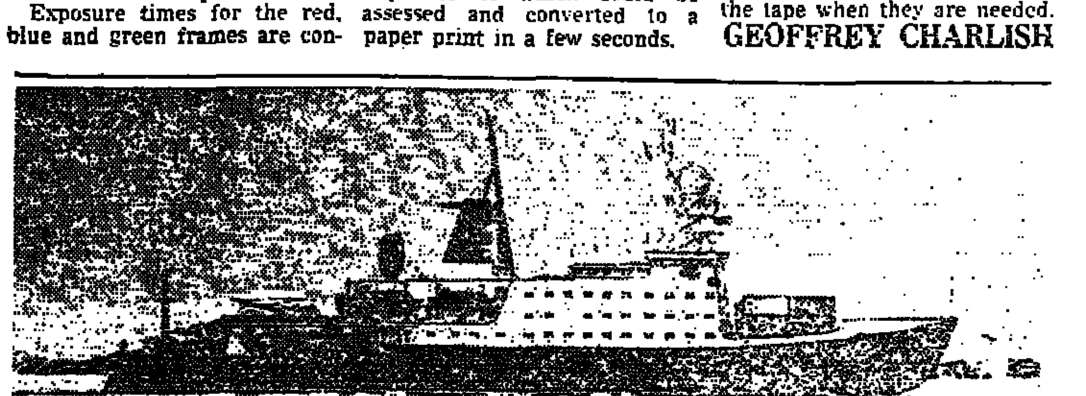
● NAVIGATION: AGA Navigation Aids of Brentford (01-568 8799) can now offer a frequency-agile radar beacon which it has developed jointly with LM Ericsson. Such beacons are triggered by a ship's radar pulses and they emit a signal which is received by the radar to appear as clear bearing lines on the plan position display. Any pulse within the radar bands used at sea will trigger it.

● DATA: Analogic of Weybridge, Surrey (0932 41251) is introducing a powerful new real time data acquisition system. The Focus 5000 Fortran system can accommodate more than 1,000 I/O channels and is designed to meet the most stringent accuracy requirements for gathering, manipulating and transmitting analogue and digital data in manufacturing and laboratory applications. The system can make more than 100,000 measurements a second at 10-bit resolution or up to 16-bit resolution at rather slower acquisition rates.

● CIRCUITS: BPA (Technology and Management) has published a report, *The Business of Printed Circuits*, which studies the subject in the context of interconnecting technologies. The report, which also charts the forces changing this sector of industry, and forecasts the situation in 1985, is available from BPA, at Concept House, 3, Dene Street, Dorking, Surrey; price £425.

● PROTECTORS: A Microwave Associate of Dunstable, Bedfordshire (0582 601441) has introduced a fast solid-state X-band switch for front-end protection of radar receivers against leakage power from the associated transmitter. The switch is actuated by a drive pulse synchronised with the transmitter; it is capable of handling peak powers of 700 watts for pulse lengths of 40 microseconds, or 250 watts c.w. Total switching time is less than 50 nanoseconds.

● SEMINAR: For almost two years the Machine Tool Industry Research Association has been visiting engineering companies to promote the application of low-cost computing devices in engineering design. On November 3 at a one-day seminar in Macclesfield, Cheshire, speakers from the association and industry will demonstrate areas of work that have benefited from micro-computers. Details on 0625 25421.



German polar research vessel

AN artist's impression of a polar research vessel ordered by the German Ministry of Research and Development at a cost of about DM 184m. The ship is scheduled for completion in autumn next year after test in an ice tank in Hamburg. Two controllable pitch propellor plants are being supplied by Escher Wyss of Ravensburg0751 83 24 55). These will be of chrome nickel steel with a diameter of 4.20m. Each propellor unit will be driven by medium speed diesel engines with a unit rating of 7350 kW (10,000 hp at 184 rev/min

LOMBARD

Mr Begin and democracy

BY ANATOLE KALETSKY

AT THE PRESS conference which Mr Menachem Begin held in June to celebrate his destruction of Iraq's Osirak nuclear reactor, he made one of his characteristic quips, which is turning out to have been sadly portentous. Journalists had been addressing all their questions to him and ignoring the three generals who were also on the podium when, after about half an hour, Mr Begin turned quite suddenly on his audience: "You are leaving the generals unemployed—that can create a very dangerous situation."

Disdain

What gave a special sting to this remark in June, just before the Israeli general election, was the total disdain which it displayed for the opposition politicians who had spent much of the election campaign emphasising what they claimed were the anti-democratic tendencies of Mr Begin and his most militaristic allies.

One of the Labour Party's main campaign advertisements quoted another off-the-cuff remark Mr Begin once made about his Agriculture Minister, General Ariel Sharon: "If Sharon were Defence Minister, he would send tanks to surround the Prime Minister's office." This week Mr Begin appointed General Sharon as Defence Minister.

It can be argued that Mr. Begin's actions in Lebanon since the election have shown that he has no intention of leaving his generals idle. So the idea that the military might threaten Israel's democracy, even if it was taken seriously before the election, has no immediate relevance. However, Mr Begin's new government also raises another question about democracy, which is of even wider relevance.

Is it really possible to describe as "democratic" a state in which a small minority of religious zealots impose their prejudices on the personal lives of millions who positively abhor their teachings? The question has to be posed because of the reaction in Israel to Mr Begin's coalition agreement with the religious parties. This makes it quite clear that some of the social policies which he now intends to pursue, such as the banning of airline flights on Saturdays, the tightening up of the rules on who is a Jew and who is not and the imposition of dress regulations on women civil servants, are highly unpopular.

Even more remarkable is the degree of resentment about the religious coercion which has existed long before the present government. Many Israelis feel distinctly embarrassed when they tell a foreigner that there is no public transport or why it is impossible to obtain a hot meal on a Saturday even before they admit that it can be dangerous even to drive a private car on the Sabbath, because of ambushes and stonings sometimes perpetrated by religious fanatics. Their embarrassment turns to indignation when they come to explain that Israeli law in effect prohibits inter-racial marriages, because only religious marriages are recognised by the state, and no Jew can be married to a gentile in a religious ceremony.

Danger

Yet, despite the widespread unpopularity of the religious laws, successive governments have maintained and extended them, within Israel's democratic constitution. The reason is, of course, that Israel's particular form of proportional representation has given the religious parties, despite their small representation (11 per cent in the present Knesset), a decisive influence on the formation of coalitions.

However, as the coalitions become more fragile and the religious parties can demand ever-greater powers and privileges for the small minorities which they represent, there is a danger that the whole of Israel's democratic system will be discredited.

The widespread cynicism about democracy that was already apparent before the elections is likely to become much more severe. For a country that still derives much of its inner strength from the conviction that it is the sole outpost of democracy, rationality and freedom in a large barbaric part of the world, that cynicism could be as dangerous as any nuclear reactor that Iraq could build.

A small town's consuming interests

BY RAYMOND SNODDY

AROUND BRITAIN

BUSHMILLS

IT IS said that at hiring fairs in the Bushmills area last century one of the terms of employment for farm labourers was that they should not be forced to eat salmon more than four times a week.

Although it is a problem not likely to afflict their successors, salmon stocks in the River Bush, which flows through Bushmills, Co. Antrim, in the north-east corner of Northern Ireland, seem assured. In what is believed to be the first project of its kind in the UK, the local Department of Agriculture is trying to determine whether salmon ranching could be viable in the salmon rivers of Ulster.

Unlike salmon farming, where the fish are fed on Peruvian anchovies and kept in cages to protect the investment, with ranching salmon young smolts are reared from eggs and then released to find their own food on a migratory journey which could take them to the Faroes or Greenland. The snag is, of course, that someone else could "reap the harvest" before they make it back to the ranch.

After seven years of the River Bush salmon ranching project the tentative conclusion of Mr Derick Anderson, the manager, is that although salmon ranching is very capital intensive, it could be viable in the right environment.

He estimates that 3 per cent of the smolts—salmon which go to sea for the first time—must return as adults for the bills to be covered. The Bushmills record varies greatly but the mean is between 2.5 per cent and 3 per cent.

The longer-term hope is that salmon ranching could be introduced to some of Ireland's rivers which do not have enough food to support large stocks of salmon at the moment. The project, which employs 10 people, produces 1m salmon eggs a year. Some are exported to Spain and others are used for river restocking in Ulster.

The Bush River Salmon Project has a 30-year lease on most of the river. Methods of river management to maximise salmon output are also being investigated. The running costs and part of the labour costs are met by selling day licences to anglers and selling part of each year's run for the table—last year 300 salmon were sold.

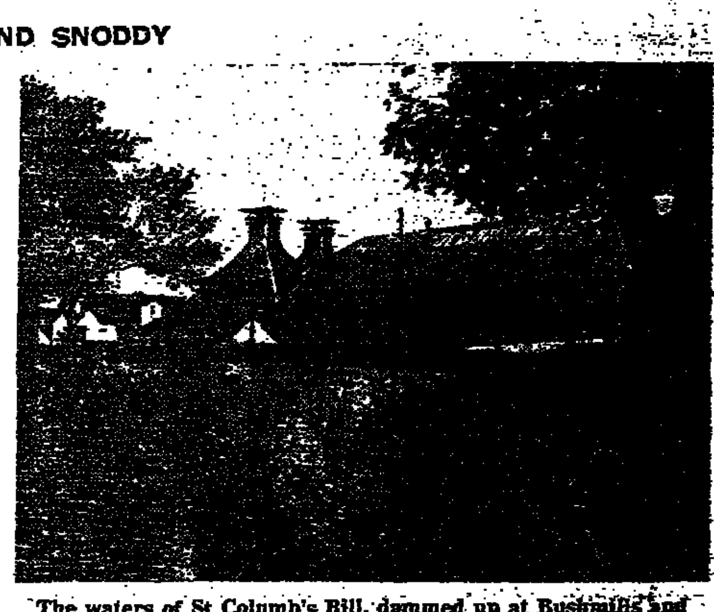
However, Bushmills, which has a population of 2,000, is most famous for a product which travels even farther than the migratory salmon—its whiskey. Old Bushmills is Northern Ireland's only distillery company and its claim to be the oldest licensed whiskey distillery in the world has never been contradicted, says Mr William McCourt, the managing director.

The distillery has a certified copy of the licence which Sir Thomas Phillips, King's Deputy of the Plantation of Ulster, granted to himself to distil whiskey at Bushmills in 1608.

Today the distillery, which has a capacity of 1m gallons a year, exports nearly 65 per cent of its output to about 100 countries and provides 170 manufacturing jobs in an area of high unemployment.

Mr Robert McKay, a former councillor for the area says: "The distillery is the lifeblood of the area, not only Bushmills but the whole of the Moyle district which stretches from Waterfoot in the east to Portballintrae in the west. It's the only major industry outside farming. Without it, we would be virtually a distressed area."

Unemployment in the Coleraine travel-to-work area, which includes Bushmills, is running at 22 per cent. Yet whiskey, unlike most of Northern Ireland's traditional industries, has been holding up to the recession reasonably well.



The waters of St Columb's Rill, dammed up at Bushmills and waiting to be made into whiskey

Mr McCourt, a former textile technologist and general manager of the Rolls-Royce aero-components factory near Belfast which closed five years ago, says there have been no lay-offs.

The quality of water is as crucial to the flavour of whiskey as the survival of salmon. Bushmills has its own stream, St Columb's Rill, which rises four miles from the distillery in peaty ground and flows over basalt to the distillery where it is held in a dam.

Apart from the quality of the water, Mr McCourt attributes the distinctiveness of his whisky to the triple distillation process and the fact that it is a blend of a single malt produced at Bushmills and a single grain produced at its sister distillery at Coleraine.

Old Bushmills has changed hands many times and its recent owners have included Great Universal Stores, Bass Charrington and Seagram, the Canadian distillers.

Old Bushmills is now part of the Irish Distillers group which links the whiskey, gin and liqueur producers of Ireland in a single company.

There is, it seems, no border in Ireland as far as whiskey is concerned and Mr McCourt was pleased to note that according to consumer research neither Northern Irish politics nor its divided community affects the consumption pattern of Bushmills whiskey.

Under Seagrams' ownership major modernisation was carried out — capacity has increased from 200,000 gallons to 1m gallons in the past 15 years and Mr McCourt believes he has one of the most modern still rooms in the UK. Most of the pot stills are less than 10 years old.

Bushmills is also planning to try to improve its penetration of the English market.

Once efforts to consolidate the network of distributorships are complete in about 18 months Bushmills will launch an advertising campaign in England to let people there know it exists, Mr McCourt says.

Loyal Toast to cheer Harwood

RACING

BY DOMINIC WIGAN

MICHAEL STOUTE, who introduced another highly-rated filly in Hiding at Pontefract yesterday, has decided to saddle Childown Blue for today's five-furlong McCann - Erickson Nursery at Lingfield rather than send the colt to the North East for a six-furlong event of exactly the same value at Redcar. The tip should be worth noting.

A son of Blue Cashmere, who did so well to help establish Stoute as an up and coming trainer, Childown Blue has finished first or third on each of his four appearances.

He is a tough and speedy colt and one who looks the pick of today's weights off 9 st 1 lb. He is preferred to another exposed colt in Street Market now that Martini Time has been withdrawn.

Half an hour after Childown Blue has, hopefully, taken Stoute closer to his second consecutive century, this year's most prolific scorer, Guy Harwood, will be saddling Loyal Toast for the seven furlongs Crawley Stakes. It is hard to envisage this American-bred colt, who has impressed me as much as any of his age and sex this term, failing to follow the example of To-Agori-Mou, who took the corresponding event in 1980 at 3-1 on for Pulborough.

John Dunlop, who may in Prince of Princes, saddle the runner-up to Loyal Toast, could have better luck at Haydock later in the day through Dancing Sally and John Willoughby.

The day's best bet appears to be Willoughby.

In this evening's mile and three-quarters Stuart Stakes I expect him to have few problebs in giving 12 lbs to the moderate West Ilsley representative Valentinian.

LINGFIELD

2.45—Bold Raider
3.15—Childown Blue*
3.45—Loyal Toast
4.45—Tree Mallow**

REDCAR

3.00—Mercy Cure
3.30—Winterwords
4.00—Petrocelli
5.00—Glossy Ibis

HAYDOCK

6.30—Dancing Sally
7.00—John Willoughby***
7.30—Candide
8.30—Wise Owl

NEWMARKET

6.00—Isanemos
7.55—Reading

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra High Frequency only). 9.50 The Wombles. 9.55 Jackanory. 10.10 Battle Of The Planets. 10.35-11.00 Why Don't You . . . ? 1.12 pm Regional News. 1.15 News. 1.30-1.45 How do you do? 3.45 Draw. Dray yn Tseina. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 The Space Sentinels. 5.05 Take Two. 5.35 Roobarb.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Oh Happy Band!
6.50 Africa's Tallest Story.
7.40 Sink or Swim.
8.10 The Rose Medallion.
9.00 News.
9.25 Knots Landing.
10.15 Humphrey Lyttelton and his Band (London and South East only).
10.45 News Headlines.
10.50 Athletics from Crystal Palace.
11.30 The Late Film: "A Date With A Lonely Girl," starring Candice Bergen.

All Regions as BBC-1 except as follows:

Cymru / Wales — 1.30-1.45 pm Bys a Bawd. 5.05 The Amazing Adventures of Morph. 5.15-5.35 Un Noson Dywyll. 5.55-6.20 Wales Today. 6.20 The Wonderful World of Disney. 7.05 Newyddion. 7.10-7.40 Ymryson cwn Defaid — Pencampwriaeth Agored Cymru, 1981. 9.25 Eisteddfod Genedlaethol Maldwyn a'i Chyffiniau. 10.15 Knot's Landing. 11.05-11.06 News for Wales. 11.06 Join BBC-1 Athletics.

Scotland— 9.45-9.55 am The House that Joe built. 10.10-10.35 Bzzz (for children). 1.10-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 The Beechgrove Gardeners' Roadshow. 10.45-10.50 News for Scotland. National News.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Cook with Clare. 10.45-10.50 News for Northern Ireland. National News. 1.05 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich)—Weekend. Midlands (Birmingham)—This is . . . Ruby Turner: North (Leeds)—Direct Line: North East (Newcastle)—Heroes: North West (Manchester)—The Music Scene; South (Southampton) — More Ways Than One: South West (Plymouth)—According to Hoyle; West (Bristol)—Movie Magic.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 Six Fifty-five Special.
7.30 Mid-Evening News.
7.40 Gardeners' World.
†8.05 Film: "On The Beach," starring Gregory Peck and Ava Gardner.
10.15 Stuart Burrows Sings.
10.50 Newsnight.
11.35 Bullseye.
†12.05 am Laurel and Hardy in "Helpmates."

LONDON

9.30 am Larry the Lamb. 9.40 The Story of Wine. 10.10 The Bubblies. 10.15 Nature of Things. 11.05 The Ante Room. 12.00 A Handful of Songs. 12.10 pm Once upon a Time. 12.30 One in a Hundred. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Emmerdale Farm. 2.00 Houseparty. 2.25 Friday Matinee: Jane Fonda in "A Doll's House." 4.15 Foghorn Leghorn. 4.20 Storybook International. 4.45 Freetime. 5.15 Sale of the Century.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 Winner Takes All.
7.30 Return of the Saint.
8.30 That Beryl Marston!
9.00 Ladykillers.
10.00 News.
10.30 Police 5.
10.40 End of Part One.
11.10 The Shattered Dream: Employment in the Eighties.
12.10 am George Hamilton IV.
12.40 am Close: Personal Choice with Wilfred Josephs.

All IBA Regions as London, except at the following times:

ANGLIA

9.40 am Speedway. 10.05 Brass in Concert. 10.45 Cities. 11.40 Razzmatazz. 1.20 pm Anglia News †2.25 Friday Film Matinee: Blowing Wild, starring Gary Cooper. 5.15 Winner Takes All 6.00 About Anglia. 7.00 Sale of the Century. 10.30 Side by Side by Swinfield. 11.00 Soap. 11.30 Friday Late Film. Stonestreet. 12.45 am God Bless America.

ATV

9.40 am Something Different. 9.55 The Wild, Wild World of Animals. 10.20 George Hamilton IV. 10.45 In Focus. 11.10 The Further Adventures of Oliver Twist. 11.40 Razzmatazz. 1.20 pm ATV News. 2.25 The Love Boat. 6.00 ATV Today, including ATV Sport. 7.30 Vegas. 10.30 WKRP in Cincinnati. 11.00 ATV News. 11.05 David Janssen—TV Superstar.

BORDER

9.45 am Sesame Street. 10.45 Who's Afraid of Opera 11.10 Survival. 11.35 Razzmatazz 1.20 pm Border News. 2.25 Friday Matinee: Snowboat starring Ava Gardner and Howard Keel. 6.00 Lookaround Friday 6.30 Enterprise. 7.30 Vegas. 10.30 Your M.P. 11.00 Soap. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 2.25 The Friday Matinee: The New Daughters of Joshua Cabe. 3.45 Father Dear Father. 6.00 Channel Report. 6.10 Disney Cartoons. 6.30 The Lost Islands. 7.30 240 Robert. 10.28 Channel Late News 10.32 Target the Impossible. 11.05 Late Night Movie: The Land Raiders. 12.45 am News and Weather in French.

GRAMPIAN

9.55 am First Thing. 10.00 Survival Special. 10.50 Young Ramsay. 11.40 Razzmatazz. 1.20 pm North News. 6.00 Summer at Six. 6.30 Leith Hall. 7.30 Vegas 10.30 The Late Night Horror Show: The Black Torment, starring John Turner, Heather Sears and Ann Lynn. 12.05 am North Headlines.

GRANADA

9.30 am A Big Country. 10.00 European Folk Tales. 10.10 Razzmatazz. 10.30 Comic Stories. 10.35 The Flying Kiwi. 11.00 Sesame Street. 1.20 pm Granada Reports. †2.25 Friday Matinee: James Cagney in Johnny Come Lately. 5.15 Survival. 6.00 Granada Reports News. 6.05 A View from the Lakes. 6.30 WKRP in Cincinnati. 7.30 The Incredible Hulk. 10.30 Barney Miller. 11.00 For Adults Only: Elizabeth Taylor and Warren Beatty in The Only Game in Town.

HTV

9.50 am Razzmatazz. 10.10 Beachcombers. 10.35 The Entertainers — Elkie Brooks. 11.00 Sesame Street. 1.20 pm HTV News. †2.25 Susman's Honeymoon, starring Robert Montgomery and Constance Cummings 6.00 Report West. 6.30 WKRP in Cincinnati. 7.30 The Incredible Hulk. 10.28 HTV News. 10.35 Cinema Club.

HTV Cymru/Wales — As HTV West except: 11.00 am Eisteddfod Genedlaethol Maldwyn A'i Chyffiniau 12.00-12.10 pm Fialabalam. 2.25 The Royal National Eisteddfod of Wales 3.30 Cartoon. 3.45 Laverne and Shirley. 4.15-4.45 Gemeauth Trav'r Cantroedd. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Eisteddfod Genedlaethol Maldwyn A'i Chyffiniau

SCOTTISH

9.55 am Portrait of a Village. 10.20 Wild, Wild World of Animals. 10.45 Young Ramsay. 11.40 Razzmatazz. 1.20 pm News Headlines and Road Report. 2.25 Friday Matinee: Peter Lundy and The Medicine Hat Stallion. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 Hear Here 7.30 The Incredible Hulk. 10.35 Meet Paul Cola. 11.00 Friday Night Thriller. 12.20 am Late Call.

SOUTHERN

9.30 am Untamed World. 10.00 Lost Islands. 10.25 Afloat. 10.55 The Human Face of China. 11.20 European Folk Tales. 11.40 Razzmatazz. 1.20 pm Southern News. 2.00 Houseparty. †2.25 Kill Me Tomorrow, starring Pat O Brien †3.55 Laurel and Hardy. 6.00 Day by Day. Scene South East (South East Area only). 6.30 Survival. 10.35 All Passion Spent. 11.05 Madame Le Juge.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 9.30 Untamed Frontier. 9.50 George Hamilton IV. 10.15 Bailey's Bird. 10.35 Sesame Street. 11.40 Razzmatazz. 1.20 pm North East News and Lookaround. †2.25 Friday Matinee: The Girl In The Headlines, starring Ian Hendry. 5.15 Let's Rock. 6.00 North East News. 6.02 Showcase. 6.30 Northern Life. 7.30 Vegas. 10.30 North East News. 10.32 Thriller: If It's A Man — Hang Up! starring Gerald Harper. 12.00 Welcome Back, Kotter.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 6.00 Good Evening Ulster. 6.30 Let's Rock. 7.30 The New Avengers. 10.29 Ulster Weather. 10.30 Witness. 10.35 The Incredible Hulk. 11.35 Bedtime.

WESTWARD

9.35 am Sesame Street. 10.35 Vicky the Viking. 11.00 Cities. 11.55 Wattoo Wattoo. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: The New Daughters of Joshua Cabe. 3.45 Father Dear Father. 6.00 Westward Diary. 7.30 240 Robert. 10.32 Westward Late News. 10.36 Western Approach (Sir William Rees-Mogg). 11.05 Late Night Movie: The Land Raiders. 12.45 am Faith for Life. 12.50 West Country Weather, Shipping Forecast.

YORKSHIRE

9.30 am Larry the Lamb. 9.40 The Amazing Years of Cinema. 10.05 Young Ramsay. 11.00 Razzmatazz. 11.25 Welcome Back Kotter. 11.55 Wattoo Wattoo. 1.20 pm Calendar News. 2.25 Friday Film Matinee: The Family Kovack. 3.45 Do You Come Here Often? 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Summer Sport. 7.30 The Incredible Hulk 10.30 Benson. 11.00 The Friday Film: The Tall Blond Man with One Black Shoe.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Andy Peebles. 11.00 Simon Bates with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 5.30 Newsbeat. 5.45 Roundtable with Mike Read. 7.30 Anne Nightingale. 10.00-12.00 The Friday Rock Show (S).

RADIO 2

5.00 am Colin Berry (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 John Dunn (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News: Sport. 6.00 David Symonds with Much More Music (S). 8.00 Victor Silvester Junior with the Victor Silvester Orchestra at the Radio 2 Ballroom (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.00 Keep It MacLean. 10.30 The Bing Crosby Show. 11.02 Sports Desk. 11.10 Brian Matthew with Round Midnight. 1.00 am Trucker's Hour (S) 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S) 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Handel (S). 10.00 Hamish Milne, piano recital (S). 10.40 Two Philosophers (S). 11.35 Kabalevsky, cello and piano sonata (S). 12.05 pm BBC Northern Symphony Orchestra, concert part 1 (S). 1.00 News 1.05 Concert, part 2 (S). 2.00 Bartok String Quartet (S). 3.20 Flute and Piano recital (S). 3.55 English Cathedrals and their Music (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Third Opinion 7.30 Proms 81, part 1 (S). 8.10 Poetry Now. 8.30 Proms 81, part 2 (S). 9.40 Let the Peoples Sing (S). 10.10 The Jack Gang (short story) 10.25 Three Tagore Songs 11.00 News. 11.05-11.15 Song with Viola (S).

RADIO 4

6.00 am News Briefing 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.45 The Spy Who Came In From the Cold, by John Le Carre. 8.59 Continental Travel Information. 9.00 News. 9.05 Desert Island Discs (S). 9.45 The Memoirs of J. K Galbraith. 10.00 News. 10.02 International Assignment. 10.30 Daily Service. 10.45 Morning Story 11.00 News. 11.05 The Discovery of Penicillin. 11.50 Natural Selection. 12.00 News. 12.02 pm You and Yours. 12.27 The Year in Question 12.55 Weather, Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour 3.00 News 3.02 Afternoon Theatre (S). 4.05 Weigh-In 4.15 Sick or Sad. 4.45 Story Time. 5.00 pm News Magazine. 5.50 Shipping Forecast 5.55 Weather; Programme News. 6.00 News, including Financial Report. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile: Willie Hamilton, M.P. 8.30 With Great Pleasure (S). 9.15 Letter from America 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.35 Injury Time (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Miles Kington with recordings from the BBC Sound Archives. 11.45 Friday Treat. 12.00 News.

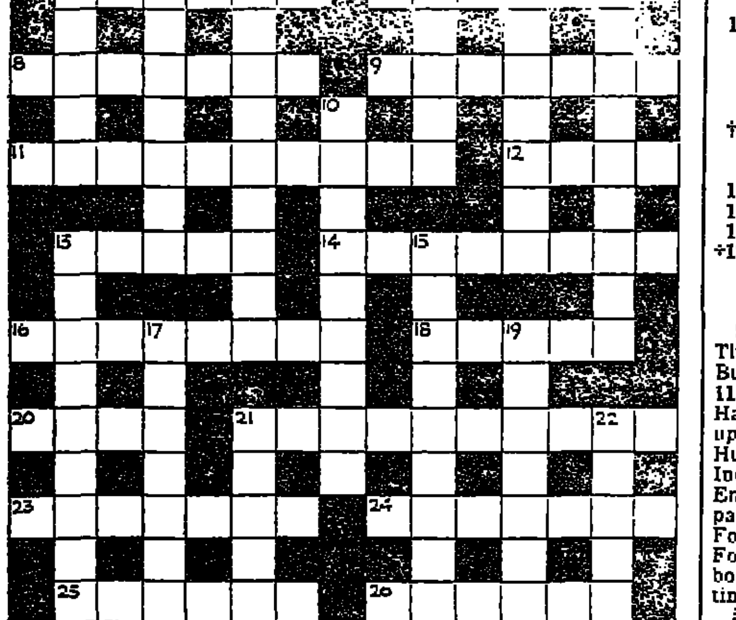
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 This Week. 7.03 Black Londoners. 8.00 As Radio 1. 10.00-5.00 am Join Radio 2.

London Broadcasting

6.00 am Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Mike Dickin's Nightline. 12.00 LBC Reports Midnight. 12.30 am Decision Makers. 1.00 Night Extra. 4.00 London Rules. 4.30 City Week. 5.00 Morning Music.

F.T. CROSSWORD PUZZLE No. 4,640



ACROSS

1, 4 Happy nobody sees work of Coward (6, 6)
8 Misfortune running into attendant sacking (7)
9 Fool giving navigator set of teeth (7)
11 Second or third reward (5, 5)
12 Small letter from abroad (4)
13 Parent responsible for strike on the Queen Elizabeth (5)
14 Boat race crew even has majority (8)
16 Study female second hand troubled (8)
18 Ought a small relative to have deserted refuge? (5)
20 Man in the sea heard complainant (4)
21 Quarrel with what the orchestra said? (5, 5)
23 Brief trouble with contract (7)
24 Consolidate agreement (7)
25 The Camptown jockey's run out of ridicule (6)
26 Give away money put on fish (6)

DOWN

1 Fish band-leader catches by stream (5)
2 Unfortunate one Conservative has it disallowed (7)
3 Tight currency needed to qualify for honours list (4, 5)
5 Next month you start to substitute (5)
6 Acknowledgment of pet Eric tormented (7)
7 Agency girl puts lock on siren (9)
10 Rare to have inferior twisted (9)
13 Full - time scoundrel daughter put off temporarily (9)
15 Heavens! Some predicament in store for odds and ends (5, 4)
17 Fresh start to holiday by guest at banquet (7)
19 Operator of bar in Cork (7)
21 Drunk out of sight (5)
22 Not sound of bird (5)

Solution to puzzle No. 4,639

J	U	M	P	S	O	N		S	W	A	R	M	E	D
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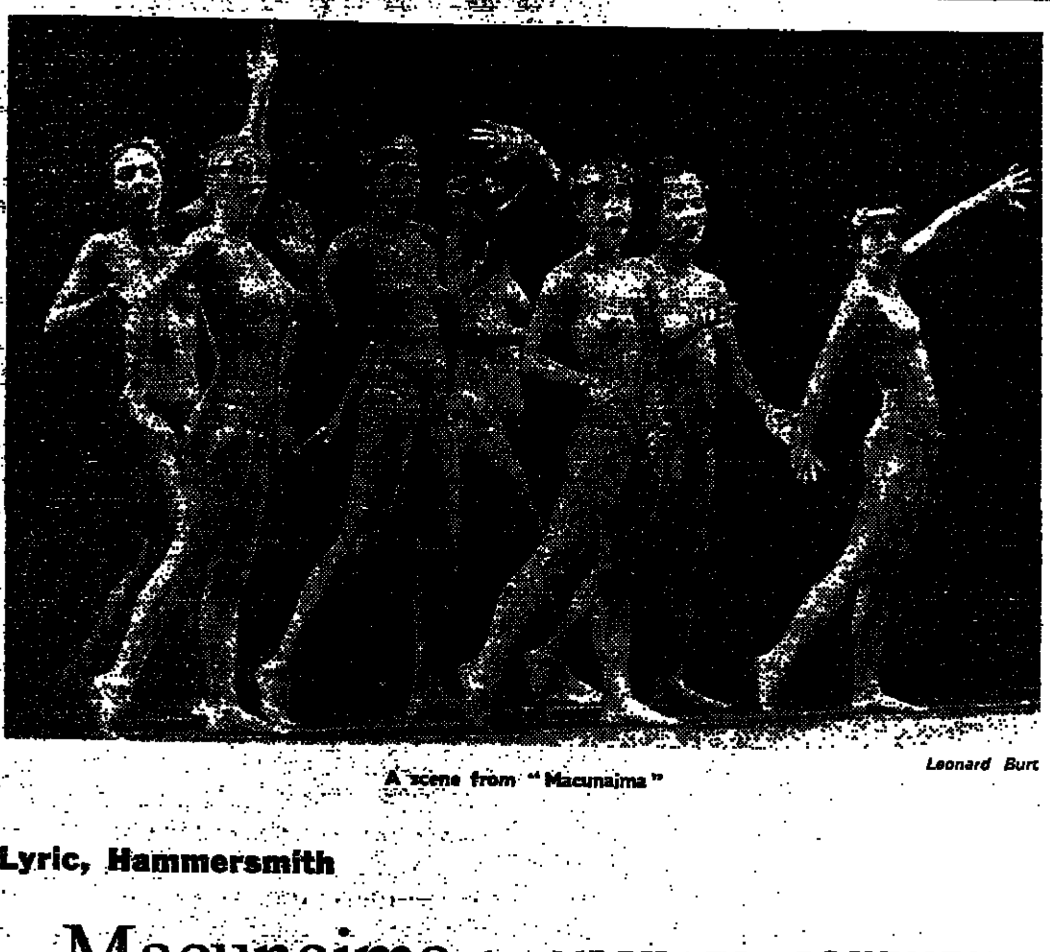
THE ARTS



A scene from "Macunaima" Leonard Burt

Lyric, Hammersmith

Macunaima by MICHAEL COVENEY

The LIFT festival took off on Wednesday in a most sensational manner. The Grupo de Teatro Macunaima from Sao Paulo brought their folk epic about the eponymous legendary Indian to Hammersmith and astonished me with their relaxed, expressionist style, control and use of the stage, and the sheer beauty of their physical presentation.

It is as if the Third World has engaged in cultural collision with the European idiom of Max Ophuls, Fellini and (extending the boundaries just slightly) Hal Prince. The story, fascinatingly impenetrable in detail to my ears in Portuguese, is a straight forward moral fable about a jungle boy who goes in search of a lost talisman to the big bad world of Sao Paulo. He loses a child conceived by a golden-breasted Sun Goddess in the industrial fumigation, is humiliated by a fat giant's cultural display of intrigue and is finally tricked into castrating himself by a monkey. However absurd this may sound the action is bound into a hypnotic homogeneity by the production style and a soundtrack making glorious repetitive use of the Blue Danube waltz and *Carmen*.

On returning to the Amazonian jungle, Macunaima, who has recovered the talisman in a glorious scene of operatic mayhem, is seduced by a siren and despatched to immortality along with his boiler-suited colleagues clutching candles and clustered round a stairway to the stars.

The director, Antunes Filho, releases a stunning set of processional variations to surround the narrative. The use of tableaux is as fine as any I have seen. Newspapers become tribal torches, some form of root vegetable, improvised costumes and finally a sort of jungle wart-hog. In the city, cultural alienation is expressed by a tableau of aghast female nude statues, powdered mannequins organised by a pouting pimp from whose grip Macunaima escapes only by joining the frieze in mock drag.

As a counterpoint to the crude blare of operatic snippets there is the persistent drumming of the jungle and, as a human reminder, the coarse high spirits of the hero's brother and best friend. In the centre of all this, Marces Oliveira sustains a wonderful performance of Candide-like vulnerability and resource. His farewell to the jungle is a moving poetic aria, his final destruction a strange and haunting apotheosis.

The great virtue, apart from the show's intrinsic merit, is to open our eyes to a vibrant new theatrical expression. I had no idea this sort of work—if indeed it is typical—is taking place in the Third World. The Mexican folk theatre I have seen simply does not compare. But we have here an illuminating and stunning series of stage metaphors about the absorption of primitive life by the great cities of Latin America. It is one of the important problems of our day and, to have it gift-wrapped in such seductive tinsel, can only prove a double bonus. I cannot recommend a visit strongly enough.

Albert Hall/Radio 3

Alan Bush

by MAX LOPPERT

The BBC Welsh Symphony Orchestra, baritone Graham Titus, and conductor Bryden Thomson gave at Wednesday's Prom the first performance of Alan Bush's *Two Shakespearean Sonnets*, Op. 92. Bush has dedicated the work to his wife, in (so a note in the Prom prospectus tells us) the 50th year of their marriage. The sonnets he has chosen—"Shall I compare thee" and "Like as the waves"—both contrast the inevitability of the artist's mortality with the deathlessness of art. It would seem not excessively impertinent, therefore, to surmise that the work was intended both as an affectionate gift and as a statement, from a composer in his 80s, about the relation between human emotions, art, and immortality.

If such surmises are correct—and even if they are not—then the sum of the linked five movements (three instrumental interleaved with two vocal) is very curious. Bush's settings of the verse are forceful — the very last note of the vocal line a top G — but wholly unmemorable, often quite remarkable for the composer's apparent inability to forge any creative connection between verbal and musical substance. (Particularly in the case of the first sonnet, the recourse to poetry so very familiar, and already musicked more than once, must be deemed rash. The encasing instrumental movements, notably "Idyll" and "Dance," the second two, tootle along with a no-less-curious breeziness, *concertante* soloists (including piano) to the fore, a mildly burlesquing trumpet making an appearance towards the close. The disparity between what one takes to be the intention of the piece and its realisation is immense.

Mr Titus, in sturdy voice, made the best of an unrewarding assignment, supported by decent playing from the chamber-sized orchestral forces. The BBC Welsh had earlier supplied a pendant to the recent national festivities with the opening work, the Tippett *Birthday Suite for Prince Charles* (first given at the 1949 Winter Proms). Though the brass, particularly the horns, had the measure of fanfares at once stately and athletic, the effect was less than festive mainly because Mr Thomson's beat seemed too phlegmatic to make the whole orchestra leap in corresponding exuberance. With Michael Roll as earnest soloist, the Schumann Piano Concerto then passed rather featurelessly by, and a drab concert closed with the Beethoven Fifth Symphony.

Covent Garden

Frankie and Johnny

by CLEMENT CRISP

"He done her wrong," as the old song tells us, but nowhere as wrong as the *Frankie and Johnny* that Dance Theatre ot Harlem showed us in their final programme. This clanking piece of Americana dates from 1938, a time when American themes—from *Filling Station* to *Billy the Kid*—were a rich vein for choreographic exploration. Ruth Page and Bentley Stone's comic-strip view of the hallowed ballad may well have been quite jokey 40 years ago.

In this present staging it wears its years, and its theme, badly: the satiric edge has gone from the dances, and we are left with energetic capers amid a dull set with a dull accompaniment, and only Mel Tomlinson's death (neatly balanced on his head) and the subsequent wake suggests the comic possibilities of the piece. There is a good deal of eccentric activity from the cast, and though "this story ain't got no moral," this revival, like certain others in the DTH repertory, has: the successes of yesteryear, especially when they belong to other companies, cannot be repeated.

The rule even applies to the Balanchine pieces in the programme. *Bugaku* had a certain interest at the time of its creation as an example of *japonaiserie*, not least in its very erotic duet. Today it seems no more than a costume parade, and even Karinska's trailing white confections have lost their power to delight. I thought it hollow, unconvincing. *Allegro Brillante*—that glittering realisation of Chaikovsky's bravura writing—was given a presentation which had moments so proud and clear that I hope that its cast (well led by Virginia Johnson) will be encouraged to work on the ensemble passages, which looked indecisive and inexact.

About *Doina* by Royston Maldoom I find it hard to comment. The cast are shrouded in ectoplasmic white coverings that make them look like something from under a stone. The choreography proposes lethargy as art. The score is infinitely tiresome tootlings on a whistle with organ accompaniment. An example of slug-charming perhaps?

Cinema

Hey ho Silver ... this is awful

by NIGEL ANDREWS

The Legend of the Lone Ranger (U)	Odeon Marble Arch
John M Stahl and Shohei Imamura	National Film Theatre
In For Treatment	ICA

Hurling across the Western landscape its masked white man and Red Indian constant-companion—plus horses—*The Lone Ranger* was one of the staple series of 1950s television. It had a surreal dash and a beguilingly dotty dynamism as it subjected the *William Tell* overture to *prestissimo* extremes and sent its two wrong-righters scampering fearlessly and anonymously across America seeking injustice wherever it might lurk.

Exhumation being the keynote of modern popular cinema, it was never likely that, come the 1980s, these two would rest long in their graves. But *The Legend of the Lone Ranger*, co-presented and co-financed by our very own Lord Grade, turfs them out even more unceremoniously than it might. Accompanied by voiced-off doggerel verses of a rare and ruthless awfulness, it follows our quaintly-matched duo through banally-scripted boyhood years as 'blood-brothers' in and around an indian tribe up to and beyond the moment when the Lon eRanger—hitherto known plainly as John Reid—first dons his black mask and buckskin and hoists his horse up on two legs.

At the point of mask-donning and horse-hoisting, alas, the film advances from the merely asinine to the terminally grotty: with the appearance of the villain, one "Butch" Cavendish (Christopher Lloyd), the kidnapping by Mr Cavendish of President Ulysses S. Grant (Jason Robards) and the shoot-'em-out rescue of this dignitary by you-know-whom. William Fraker, promoted from photographing that high-carat shambles *1941*, directs. But he has brought with him his stock-in-trade diffusion effects, here so exaggerated as to suggest that the film was shot through lubricated sackcloth. Acted with a wondrous woodenness to boot by Klinton Spilsbury in the name role, this appalling aberration is the closest to a Hara-kiri act yet committed by Lord Grade's production company.

★

Two excellent seasons claim your attention at the National Film Theatre this month. "The Romantic Image" celebrates John M. Stahl, a Hollywood director of a stylish and equal aptitude for comedy and melodrama, whose best-known films were Mark-1 models of the "women's pictures" later remade by more famous weepie-maestro Douglas Sirk in the 1950s. Although Stahl was first in the field with *Imitation of Life*, *Magnificent Obsession* and *When Tomorrow Comes* (remade by Sirk as *Interlude*), Sirk's work has attracted more critical limelight in recent years. But that Stahl had his own grandeur is proved by the long-running liveliness of his career and by at least one unique and magnificent movie that one doubts anybody could remake—so delicately does it tightrope-walk over absurdity—without falling sheer to his doom.

Leave Her to Heaven, showing at the NFT on August 18, is a bubbling brew of jealousy, murder and frustrated passion involving Cornel Wilde, Gene Tierney, much palatial scenery and many mythopoeic sunsets. This astonishing *danse macabre* of familial ferocity—Tierney's possessive love as Wilde's wife prompts her to do away with all who come near, competing for his affection—is filmed in a bronzy, rich-textured Technicolour the like of which you will seldom have seen: fulminous colours, swirling shadows, a sumptuous minuteness of detail.

Shohei Imamura, to whom the National Film Theatre devotes a concurrent season, is a spikily original talent from Japan and one of the small handful of directors who have successfully stormed into the breach left by the (virtual) retirement of Kurosawa and Ichikawa. His strong, caustic pictures of Japanese society range from the black-comedy brio of *The Pornographer* via the grainy documentary style of *Post-War History of Japan as Told by a Bar Hostess* to the stark pessimism of *Vengeance Is Mine*, his latest film to be seen in this country and a fearsome assault-course through the life and mind of a multiple murderer, and the brackish embattled society from which he springs. Imamura holds joint sway with Stahl at the NFT until the end of August.

★

"Het Werkteater" is a Dutch drama group who specialise, so their Press handout vouchsafes to us, in "performing plays to audiences whose daily life involves contact with people suffering from serious illnesses."

Erik van Zuylen's *In For Treatment*, a powerful film version of one of their plays, can hardly be more comforting to the sick and their friends and relatives than a terminal diagnosis. It follows the grim fortunes of a middle-aged market-gardener (played by Helmert Woudenberg) who after being detained for long and mysterious weeks in hospital for "tests" and "examinations" finally discovers he has a malignant brain tumour. This after nurses have bustled briskly about, batting away his anxieties, and doctors, saying "This won't hurt," have inserted tubes and thermometers into nameless regions and planted oil-derricks in his chest to pump for blood. By the middle of the film your stomach has taken up almost permanent residence in the back of your mouth.

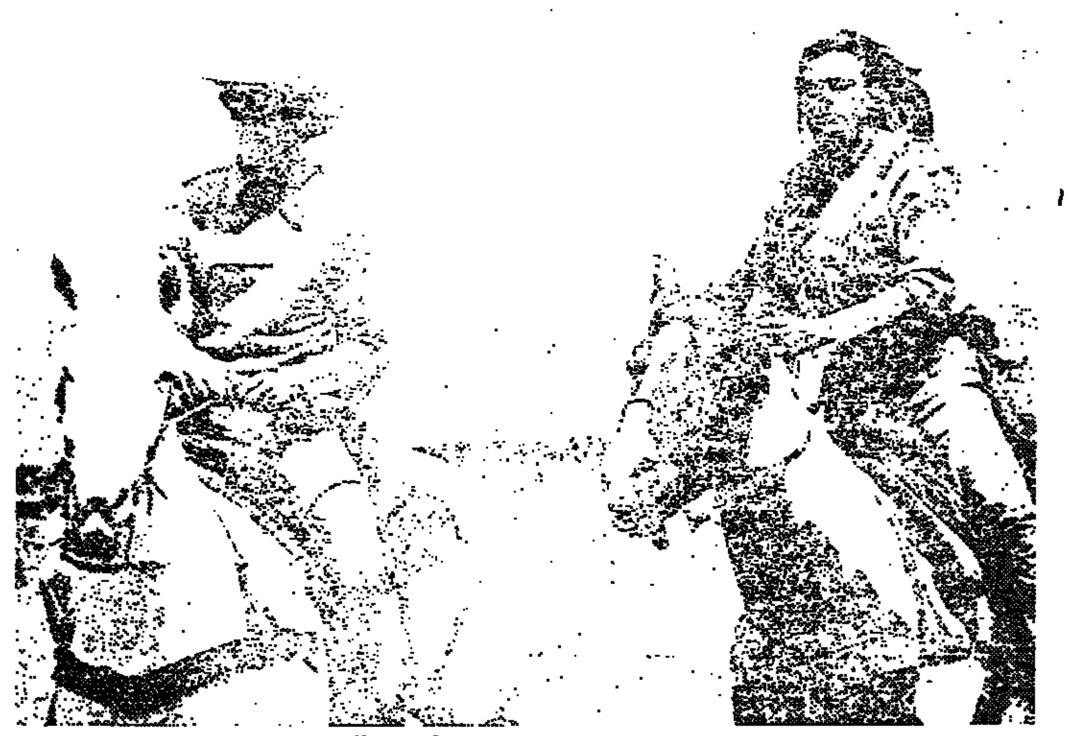
Fortunately the film has the kindness to go on and cast a slightly more optimistic light, if not on the patient's chances of recovery at least on the deportment and good will of the hospital staff. *In For Treatment* is plain and camera-plonking in style but wonderfully observant and grimly potent in content.

★

Fictional deaths, however gruelling, don't leave a wound behind like real deaths. William Wyler and Melvyn Douglas, who died recently both aged 79, were two of American cinema's most durable craftsmen. Wyler was a long-serving director, a fine movie story-teller and one of the screen's best magnets for talent. He had a flair for attracting highly gifted collaborators — photographer Gregg Toland (famed for *Citizen Kane* as well as for Wyler's own *Wuthering Heights* and *The Little Foxes*), actress Bette Davis (in three of her best pre-war films), the long-loyal cheque-book and sharp eye for story properties of Sam Goldwyn, and in terms of "genres" tackled, Wyler boasted as prodigally chameleon a talent as anyone who ever knuckled under, and finally triumphed over, the studio system.

Even after World War Two, when two other directors of his generation were specialising and/or dwindling in their output, Wyler's *oeuvre* included melodramas (*Carrie*, *The Heiress*); comedies (*Roman Holiday*), Westerns (*The Big Country*), musicals (*Funny Girl*) and what was at the time, and perhaps still is, the ultimate epic, *Ben-Hur*. Wyler's work scarcely had a unifying signature either in theme or in style (although with Toland in the 1930s he claimed fame as an early pioneer of deep-focus photography), but it's made with high confidence and a glow of professionalism and some of the best acting performances in Hollywood history.

Of the other best acting performances, several were given by Melvyn Douglas. The National Film Theatre lately unearthed some rare Douglasiana from the 1930s—his screen tests for the role of Ashley Wilkes in *Gone With The Wind*. (With Lana Turner as a bleach-blonde Scarlett). Douglas looked a lot happier in the part than Leslie Howard was later to prove, struggling with his frightfully-British Southern accent. But it was Douglas's fate to be a connoisseur's romantic lead rather than that of popular choice. He nearly always played foil to a stronger leading lady—notably Garbo in *Ninotchka* and *Two-Faced Woman*—and he had a slow-burn, raffish, indulgent charm that allowed others to set the pace.



Klinton Spilsbury and Michael Horse

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The motives of investors

IT IS unusual for the fate of a significant public company to be determined over the heads of its management and without the presentation of any industrial arguments by a series of telephone calls between merchant bankers, stockbrokers and institutional fund managers. Yet this is what happened last week to Amalgamated Power Engineering, when N. M. Rothschild, acting for Northern Engineering Industries, managed to buy up more than half of APE's share capital before either offer or defence documents could be issued by the contending parties.

Prospects

With hindsight, the directors of APE should probably have spelled out their reasons for staying independent without waiting for the offer document from the bidding company. As it was, some institutions evidently took the view, on the basis of APE's past performance and what they knew of its future prospects, that the price of 140p was attractive and their responsibilities to pensioners and policy holders would best be served by taking the cash and reinvesting it in companies with better prospects. To have sold out without waiting to hear what the directors had to say seems somewhat precipitate, especially since three months earlier shareholders had thought well enough of APE's prospects to subscribe for a rights issue. Inevitably, the affair has focused attention again on the degree of commitment which institutions have, or should have, to the companies in which they hold shares, and the extent to which their investment decisions are dominated by short-term financial considerations.

In the UK, as in the U.S., the buying and selling of shares in the stock market is one element in a healthy market economy: a falling share price puts pressure on management to improve its performance. It is far from certain that this system is inferior to that of, say, Germany or Japan, where the stock market is less important and financial institutions, chiefly banks, play a more direct role in supervising industrial companies. The danger with the British system, particularly in the light of changes in share ownership and the inexorable growth of pension funds with a "performance-oriented" approach to investment, is that preoccupation with short-term results may be detrimental to the long-term health of British industry on which the investing institutions, like everyone else, depend.

There is nothing fanciful or idealistic about identifying the interests of the institutions with those of the British commercial and industrial sector: the returns to pensioners and policyholders will, in the long run, depend on the profits which British industry is able to generate through the efficient deployment of real assets. Unlike small specialist unit trusts the major life assurance and pension funds cannot rely primarily on skilfully timed share dealing in a small number of companies to provide the very long-term returns which their beneficiaries require.

Fund managers should also remember that most of their business stems ultimately from the tax concessions which their funds enjoy. These were introduced by successive governments with the specific intention of encouraging long term investment. They are available only to individuals who enter into long-term savings contracts. If funds which savers commit for long periods are not invested with similar time horizons in mind, the rationale for tax concessions is much weakened.

Loyalty

It does not follow that the institutions should feel obliged to hold on to particular investments through good times and bad, companies have to earn the loyalty of their shareholders. But if at the other extreme institutions treat their investments as bits of paper to be shuffled about in a way which provides the best financial return over a short period, they are, first, inviting attack for being indifferent to real assets and real people, and, second, abdicating their responsibilities as owners. No one should expect too much of the institutions in this role, but ownership surely requires them to take a considered view about the efficiency with which assets are being managed, about the strategy which the managers are pursuing and about the medium-to-long prospects of the business.

Still waiting for Mr Botha

ANYONE who hoped for clear evidence of the South African government's promised reforms of its apartheid system must be disappointed by the debate at this week's reopening of Parliament in Cape Town.

It was an obvious opportunity for Mr P. W. Botha, the Prime Minister, to spell out his plans for the next five years, after his landslide victory in the April General Election. Instead, not a single new government initiative has been proposed. Even plans which have been on the drawing board for months are apparently still not ready for public consumption.

In spite of his overwhelming majority in the all-white Parliament — Mr Botha's ruling National Party won 131 of the 165 elected seats—the Prime Minister was forced on the defensive. Perhaps it was too much to hope that he would abandon his caution, and give substance to the reformist talk he likes to use.

Defensive

Mr Botha fought the election campaign on the theme that white South Africans must "adapt or die" in the face of a "total onslaught" by the international community, but he always stopped short of spelling out what specific changes were required.

There is little doubt about the general nature of the reforms being considered: they would seek both to streamline and to humanise South Africa's cruel and cumbersome bureaucracy of racial separation. Such reforms, the more liberal members of the ruling establishment argue, would win black support against the radical African nationalist movements demanding outright majority rule and liberate the economy for faster growth and greater prosperity for all.

However, while such thinking has persuaded some members of the South African business community to see Mr Botha as a potential saviour, its implications have alienated many others in South Africa's profoundly conservative white electorate. Although Mr Botha did not lose any seats to the extreme conservative parties on his right in the general election, there was nonetheless a very marked swing away from the National Party.

That backlash seems to have persuaded Mr Botha that his room for manoeuvre is actually less, and not more, as a result of winning the election. Indeed, there are signs that he is even considering abandoning some earlier reforms of so-called petty apartheid—the segregation of parks and similar public facilities—to pacify his conservative critics.

Nevertheless, many South Africans still believe he is genuine about the need for some relaxation of apartheid, albeit within very strict limits, and at a very slow pace. Mr Harry Oppenheimer, the chairman of Anglo American and a committed critic of the South African Government, says he is "reasonably confident" the government intends to press ahead with a programme of reform.

The slump in the gold price has greatly reduced Mr Botha's freedom of movement in the economic sphere. At present levels, the government's revenue from the gold mines will be down about 35 per cent this financial year. The current account of the South African balance of payments has moved very sharply into deficit, compared with a surplus of about £1.5bn last year, and the growth rate of the economy has slowed to little more than 4 per cent, against last year's 8 per cent. In 1982 it may slow further.

Budget

Next week's budget will be at best neutral, and will probably put a further squeeze on liquidity, following a series of sharp rises in the bank rate, as government seeks to finance more of its spending from domestic borrowing. Mr Owen Horwood, the Finance Minister, will also not have the sort of spending money available which ought to be pumped into key areas like black education and training if black advancement is to be more than any empty slogan.

Mr Botha has undoubtedly aroused expectations of reform in both black and white communities.

If he backs down now, he is unlikely to win back disillusioned white conservatives, nor will he be able to restrain the accelerating expectations of the blacks. He must press ahead as wiftly as possible before the next recession produces the preconditions necessary for another Soweto uprising.

THE U.S. ECONOMY

Reaganomics: so far, so good

By Reginald Dale, U.S. Editor in Washington

PRESIDENT REAGAN'S success in laying the foundations of his economic programme has left many Americans, including some of his most ardent supporters, gasping in astonishment. Against almost every expectation he has done precisely what he said he was going to do, and he has done it on time.

As he starts his four-week Californian holiday, he can look back on a series of smashing congressional victories in which he not only firmly laid the two main planks of his economic policy — a $36bn (£20bn) spending cut next year and a $750bn tax cut between this autumn and 1986—but consigned the Democratic opposition to demoralised disarray.

His programme can no longer be discussed only as a hypothesis. America, and the world, is about to find out if Reaganomics work in practice.

It is worth remembering what the pundits were saying in February, when he first unveiled the details of his plans. The conventional wisdom was that he might get some of his Budget cuts, but certainly not all. There would be a long drawn out fight on the tax cuts which might last until the end of the year and still not result in a Reagan victory.

Deregulation of industry, the third plank in the platform, would have to wait until well

David Stockman: already looking forward to the next round of spending cuts.

into 1982. Economists were seriously worried about what would happen if the spending cuts fell into place and the tax cuts did not.

As it has turned out, the conventional wisdom was badly mistaken. Mr Reagan has not got 100 per cent of what he asked for, but he has probably come as near as he could possibly have hoped. The $5bn difference between the $41bn he originally sought in spending cuts next year and the $36bn he has actually got is not going to cause him to lose much sleep.

There is a greater difference with the tax cuts—instead of three annual 10 per cent cuts in income tax starting on July 1 this year, he has got a 5 per cent cut on October 1 and two 10 per cent cuts in July 1982 and July 1983.

This will obviously delay—and weaken—the initial impact. But the important point is that he has a three-year commitment from Congress (the Democrats wanted the third cut to be conditional on the state of the economy at the time).

Moreover, the indexation of tax brackets to the cost of living index from 1985 means that Mr Reagan's tax cuts are now built into the structure of the tax system. That, taken together with his determination to balance the Budget by 1984, means he is well on the way to establishing a strict budgetary regime which will last him through the four years of his term of office.

Mr David Stockman, his energetic budget director, is already looking forward enthusiastically to the next round of spending cuts.

Deregulation of industry—"getting Government off its back"—has suffered some setbacks in the Supreme Court, which has ruled, for example, that workers are entitled to the maximum possible protection from health and safety hazards. The court has not bought the original Reagan line that the costs to industry must be taken into account alongside the benefits to the workers.

However, that will not fatally undermine Mr Reagan's deregulation drive, much of which can be accomplished by administrative fiat and a start is already being made.

One area in which the Administration's plans are behind schedule is monetary policy. Interest rates have not come down as forecast—they are still at near record levels. The financial markets are still worried about the size of the likely Budget deficit.

And it is not only the European economies which are suffering, as President Reagan pointed out at last month's Ottawa summit, many American businesses are hurting, too — and the American thrift (mortgage and savings) institutions are screaming.

The Treasury is not too happy with the Federal Reserve's management of the money supply. But even here there is no wavering in the Administration's conviction that interest rates will come down as soon as the financial markets fully understand that it really is going to "stay the course."

How has Mr Reagan got this far, apparently against all the odds? In the first place, he has shown far greater political skill than most people gave him credit for. His handling of Congress is now being compared, respectfully, with that of the old master, Lyndon Johnson.

He has grabbed the initiative and left the Democrats struggling to catch up, and he has shrewdly identified individual Democratic congressmen who he needed to draw into his camp to overcome the Republicans' minority in the House of Representatives.

In enticing them on to the bandwagon he has had to make deals which may turn out to be hostages to fortune. He has made promises ranging from an undertaking to modify his plan to eliminate minimum social security payments to a commitment to help Georgia peanut farmers.

But above all he has won the

Explaining the theory: Mr Reagan appears to have struck a chord which echoes strongly and clearly around the country . . .

key congressional votes by convincing the majority that his economic plan is the one the American people want.

In this, at least for the time being, he is almost certainly right. Of course, he is not going to please everyone, and it is not hard to make out a case that cuts in spending on welfare, health and education may cause genuine hardship. But Mr Reagan appears to have struck a chord which echoes strongly and clearly around the country when he argues that the old ways simply have not worked.

The poor are still poor, despite massive spending on welfare, and many blacks are still in desperate straits despite all the government programmes over the years. There is a widespread feeling that a new approach should at least be given a try.

The same goes for defence spending, which Mr Reagan wants to increase by a massive 11 per cent a year in real terms at the same time that he is cutting everything else. Many Americans are startled and confused by the discovery that their country is in danger of slipping into the position of number two superpower, and they want something done about it. In many parts of the country, the two things ordinary people will agree on are the need to reduce inflation—and increase defence spending. It is neither here nor there if this defies certain schools of economic thought.

Above all, Mr Reagan, like a successful Napoleonic marshal, has managed to enshroud himself with an aura of good luck, of being a natural winner. It may be physically painful, but it does no harm politically to survive a point blank assassination attempt. He is even lucky in the timing of the latest slowdown in the economy. It has taken the wind from the sails of those who once argued that a major tax cut would be far too inflationary.

What then can go wrong? Two things, at least, say his opponents. First, the American people will wake up with a jolt when they realise the full practical consequences of the Budget cuts for their everyday lives. Second, the whole programme simply will not work.

The Reagan economic programme is meant to square the circle. Tax cuts provide the incentive for people to work harder and save more. The money saved goes into investment in modern equipment industries where the workers are working harder because of the tax cuts.

Productivity increases, the price of American-produced goods becomes more competitive and inflation comes down—helped on its way by the progressive reduction of the budget deficit, a crackdown on the growth of the money supply and a strong dollar. As business becomes more profitable, it makes more sense for people to invest their tax cut savings in it, and the cycle starts again.

Looked at like that, the programme is open to criticism from two opposite directions. A prime element in the equation is to ensure that the money people save in tax cuts is invested in the right way and not merely spent on increased consumption.

Some of the more purist supply-siders would argue that only the rich can be trusted to invest their money sensibly and that they should, therefore, get an even bigger tax break than that already contained in the President's across the board tax cut. Mr Reagan's Democratic opponents argue that the package already favours the rich and big business, far too much.

It is true that for many Americans the tax cuts will not mean very much more money in their pockets overnight. The main effect will be to stop them paying more than they would have otherwise. As venerable an authority as the International Monetary Fund's staff, while endorsing the overall direction of the Reagan plan, made it clear in a recent report that it believed the Administration had over-estimated the likely supply side effects of the tax cuts—or at least the speed with which they would come about. In its annual economic outlook, the Fund predicted a real growth rate of only 1.25 per cent in U.S. GNP next year, against the Administration's 3.4 per cent.

A key factor will be how far the Administration succeeds in reducing inflation. It is now confidently predicting that the year-on-year rate for 1981 will be in single figures and that the economy is on course for the target of around 5 per cent inflation by the end of 1984. If, however it has got its figures wrong, a key link in the chain will be broken. Interest rates will stay high, further endangering the thrift institutions which are meant to be encouraging savings, and any extra money stemming from the tax cuts will be more likely to go on consumption than investment.

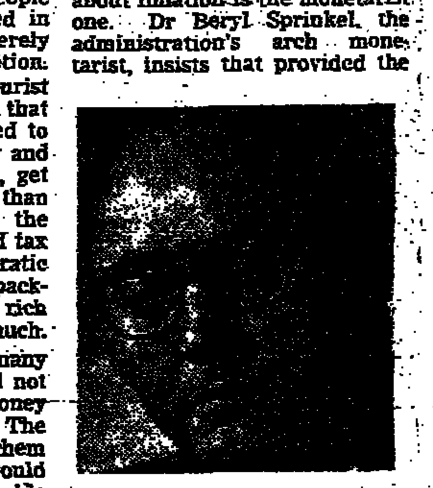
Many of President Reagan's critics would argue that, whatever he may say, his programme is inflationary. Firstly, they would point to the Budget deficit, which, at a projected $55bn this year and $42bn next year, is far higher than Mr Reagan originally intended.

Secondly, they take issue with his view that a vast increase in defence spending can be achieved without inflationary spin-off. (Some of them also claim there will not be enough money in the budget to finance the defence build-up after the tax cuts.)

The Administration rejects comparisons, frequently made, with the Johnson Vietnam build-up, now generally admitted to have injected a massive dose of inflation into the system.

Mr Stockman likes to point out that at the time of Vietnam the U.S. domestic budget was expanding at an extremely rapid rate, whereas today it is declining. The Vietnam build-up also pushed up defence spending from 7 per cent to 9 per cent of GNP, he says, whereas under the Reagan plan it will rise from its current level of 5 per cent to a maximum of 6.8 per cent—less than the Vietnam starting point.

The other answer to any doubts which may be expressed about inflation is the monetarist one. Dr Beryl Sprinkel, the administration's arch monetarist, insists that provided the



Beryl Sprinkel: insists that inflation will be squeezed out of the economy

money supply is kept under control, and the Budget deficit is not financed irresponsibly, inflation will be squeezed out of the economy.

He, like everyone else in the Reagan team, is convinced that Reaganomics can be made to work. For Washington, there is a rare unanimity at all the highest levels of the Administration about where the economy should be heading, and confidence it will get there.

Outside the Administration, as Mr Reagan's triumphs in Congress have shown, there is a widespread feeling that the programme should be given the chance to prove itself one way or the other. Senator Howard Baker of Tennessee, the Republican leader in the Senate, openly admits it is a gigantic "riverboat gamble." But he is putting his money on it, together with a great deal of the Republican Party's political capital.

ADMINISTRATION PROJECTIONS OF ECONOMIC ACTIVITY

	1980	1981*	1982*
GNP	$2,626bn	$2,951bn	$3,296bn
Real growth	−0.2%	+2.6%	+3.4%
Inflation (CPI)	+13.5%	+9.9%	+7.0%
Unemployment rate	7.2%	7.5%	7.3%
Interest rate, 91-day treasury bills	11.5%	13.6%	10.5%

* Estimate.

MEN AND MATTERS

The accepting house of Fraser

Noblesse would seem to *oblige* in a fairly forceful way at Lazard Brothers, where chairman Ian Fraser takes over from John Baring next month as chairman of the Accepting Houses Committee, inner circle of the City merchant banks.

Lazards' corporate finance chief John Hignett has only just taken on the job of director-general at the Takeover Panel, while vice-chairman Tom Manners peers down from the chairman's seat at the Issuing Houses Association.

The AHC only meets four times a year, so Fraser will not have to spend too much time away from Moorfields. And while his years at Lazards and Warburgs, punctuated with two-and-a-half years as first director-general of the Takeover Panel, should in itself be fair preparation for this sacerdotal appointment, so too should Fraser's chairmanship of Rolls-Royce Motors—he is now vice-chairman of the merged Vickers group.

For, like a Rolls-Royce, the AHC is a comfortable, expensive vehicle whose passage through the City is marked by a gentle purr rather than a throaty roar. The purr belies, however, the latent power beneath the bonnet — and, should you be forward enough to peer through the tinted glass, you would glimpse only the best of people sitting on the well-upholstered seats.

And bankers, as a quick glance round City car parks will confirm, prefer Rolls-Royces to more demotic forms of transport. Which helps to explain why the AHC has enjoyed a 64-year run after its fairly ad-hoc formation.

It began life with the outbreak of the First World War, as London bankers foresaw problems with maturing bills of exchange from hostile and embattled countries. They drew in their wagons around the Bank of England, and found

Ian Fraser: chairing the circle

they rather liked the cosiness of the arrangement.

While this week's publication of "eligible names" for the Bank of England's rediscounting facilities is a signal dilution of an erstwhile largely accepting house privilege, there are less tangible benefits to AHC membership. Members pool their persuasive powers when it comes to talking with the Bank about financial regulation, and, in Baring's words, "the main advantage is as it always was—recognition of a premier position among London merchant banks." There is also the implicit understanding that, if the worst should come to the worst, AHC members would get first place in the lifeboat, if not exclusive use of it.

What the AHC actually does when it meets must be either spectacularly shocking or stunningly banal, since the topic is not one on which its member will voluntarily dissert at length. What ever it is, however, hardly a bank in the City would refuse a chance to join in. Membership is by application as much as by invitation, with a three-quarters majority necessary to succeed in election. Currently, only 17 banks are welcome within the portals of Granite House, having satisfied their peers of their probity, managerial independence, and British ownership.

Baring relinquishes the chair after four years, a little earlier than he had originally planned so as to avoid stepping down at the same time as AHC director-general Tim Cohen would be retiring. Fraser is set for a four- to five-year spell as chairman. The nature of the AHC should not, however, lead one to expect any radical changes in its constitution or activities under its new master. It may be a vintage Rolls, but it still cruises to its owners' satisfaction.

Flood tidings

"We are absolutely inundated." London Fire Brigade reported with a deft turn of phrase yesterday as the thunderstorms deluged the city. The brigade dealt with more than 1,500 calls for help from flood victims. St Pancras hospital basement was under water. King's Cross station closed for a time, and Rotherhithe tunnel. The roofs of houses collapsed and motorists got stuck in their cars.

Water poured through the board-room ceiling of the Metal Exchange and trickled to the trading floor; it seeped through air ducts into the Coffee Market. "But there was no interruption to trading," I was assured.

The same "show must go on" spirit infused the FT, I am proud to say. A thoroughly-drenched editor conducted the editorial conference in bare feet, one reporter kept taking notes in an Eastcheap office as the ceiling fell around her, and another exchanged her saturated dress for a waitress's overall to attend a House of Commons press conference.

While all that was going on, a telex message from Wales reported that millions of gallons of water were being released from reservoirs there to top up drought-hit rivers.

Film club

Double celebration yesterday for Jean Wadlow, managing director of the Mayfair-based video and film company Wadlow Grosvenor Productions. She learned that she had won a six-figure film contract for a German engineering consortium in Saudi Arabia—and then that she had been elected one of the first three women members of the Reform Club.

Wadlow joined her chairman Kyrle Simond three years ago in a management buy-out of Charles Barker Films. Since then they have expanded rapidly into overseas markets, making films for U.S. educational foundations and on Middle East archaeology for Riyadh University as well as for industry.

The German contract, for a consortium led by Mannesmann Anlagenbau, is for three films covering the construction of a saline conversion plant and 300 miles of pipelines to carry fresh water from the coast to Riyadh.

The deal was clinched against stiff competition from both German and U.S. film companies. Wadlow does not know how much opposition her nomination encountered at the Reform: "But it's very pleasant to win acceptance both home and away on the same day," she says.

Rugged

The mixed metaphor blooms like a rising cog in the field of City life. I gather from a Hambros correspondent. A colleague, he reports, "on being upset by a junior member of our institution announced, 'I will pull the wool right out from under his carpet'!"

Observer

Lisa Wood looks at a new report by MPs, which suggests that big firms should keep records of their workers' ethnic origins

A 57-point charter for racial equality

LIVERPOOL PRESENTS "the most disturbing case of racial disadvantage in the UK, a Government all-party committee wrote earlier this year.

The city, where an estimated 50 per cent of young blacks are unemployed, many of whom are British citizens of several generations "offers a grim warning to all of Britain's cities that racial disadvantage cannot be expected to disappear by natural causes," according to its 100-page report.

The report, published yesterday was prepared by a sub-committee of the *Home Affairs* committee under the chairmanship of Mr John Wheeler, Conservative MP for Paddington and a former prison governor. It stopped taking evidence in March, four months before violence erupted on the streets of Toxteth in Liverpool.

The committee's prescription for tackling the race problem are made in a total of 57 recommendations in its wide-ranging investigation which has explored racial disadvantage in education, housing and employment. Positive proposals which would need allocation of resources are aimed at the Government, both in its administration concerning ethnic minorities and its funding of special projects, as well as at local authorities, private employers and perhaps surprisingly, the major clearing banks.

Three main areas where strong recommendations have been put forward are likely to cause considerable controversy, both within Government and commerce generally. They are:

- The monitoring of workers by ethnic origin.
- The promotion of the interests of particularly West Indian enterprises, and
- a stronger lead by the Home Office in co-ordinating policies in Government departments over ethnic issues.

Very few British companies have kept records of the ethnic origin of their employees, "but the select committee, after hearing evidence from a wide range of employers and trade unions, both themselves, deeply divided on the issue, has recommended "that larger firms give serious consideration to ethnic monitoring." The time, it said, was not ripe for the imposition of a legal obligation such as exists in the U.S. for fiscal persuasion.

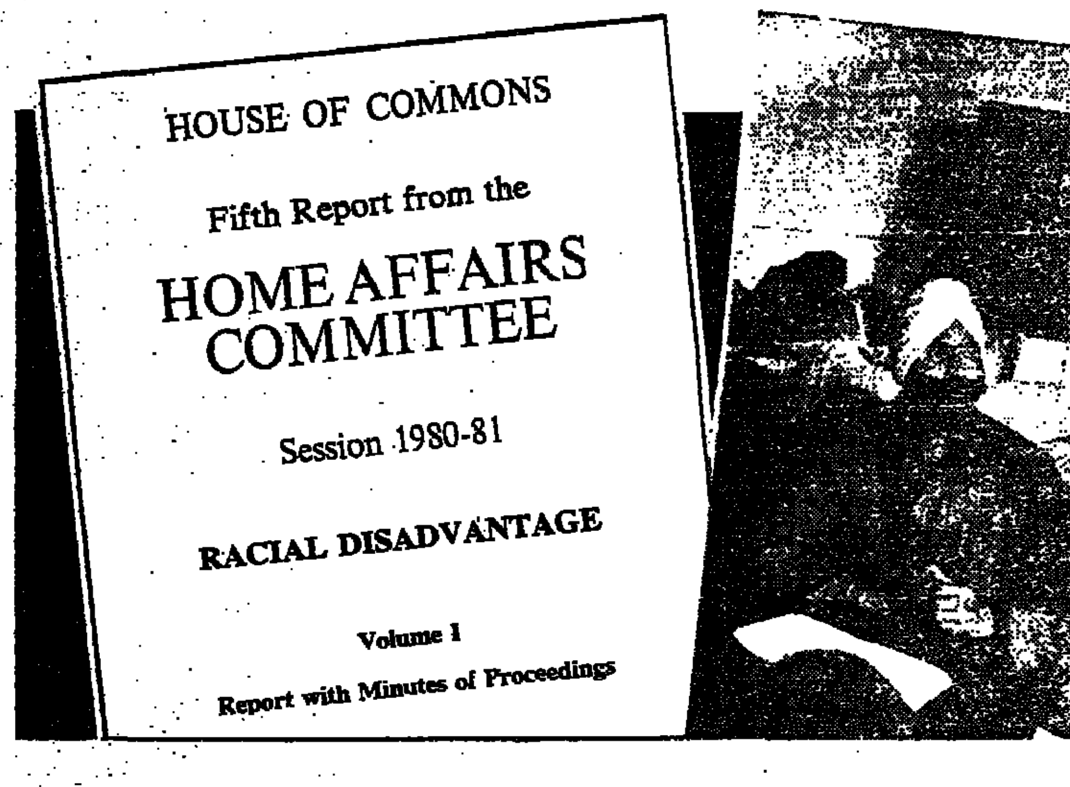
Such monitoring, it is said, would not open the floodgates to demands for U.S.-style "positive discrimination," which would be illegal in this country. But it would help an employer to see whether active or inadvertent discrimination was taking place.

Ford, which draws on considerable experience from the plants of its U.S. parent, has monitored certain grades of its 70,000-odd staff in the UK since 1970.

A fact that emerged was that the proportion of non-white applications to its Essex apprentice training school was far lower than the percentage of non-white workers in the Dagenham plant.

A tentative conclusion was that travelling distance may inhibit some applicants. About 20 per cent of apprentice applications come from families of existing Ford employees. These, if white, tended to live nearer Dagenham than the non-whites.

There is already strong hostility to the principle of monitoring. Two Tory MPs, Mr George Gardiner (Reigate), and Mrs Jill Knight (Edgbaston), both involved in the preparation of the report have claimed that the policy, which is also being advocated for local authority services and the Civil Service, could lead to "reverse discrimination." Companies, said Mr Gardiner, may have to lower standards to recruit black labour. One major retailer told the sub-committee it had a "slight lowering of standards of recruitment in favour of the black employee."



Marks and Spencer, which employs nearly 45,000 people, has monitored the ethnic origin of employees for some years to ensure that ability, not discrimination, is the sole criterion for recruitment. "We hope that our staffing structure is related to the make-up of the local community so that the ethnic composition of staff at Brixton, for example, would probably be different from that in Cambridge." At no point, said the company, were standards dropped so as to recruit black workers.

Some blacks themselves object to monitoring—and the strength of that feeling led to the objection to, and abandonment of, the ethnic question in the 1981 Census. However, policies and practices can be shaped only if the scale of a problem can be accurately measured. At present neither the total ethnic population nor its true rate of unemployment is known and the report recommends that an ethnic question be included in the 1991 Census.

Registered unemployment among ethnic minorities is higher than for all workers. In the 12 months from February 1980 it increased by 82.5 per cent compared with a rise of 66.2 per cent for all workers. At the same time the number of self-employed West Indians is much lower than the national figure — 3.6 per cent compared with 10 per cent.

The two main problems facing West Indians, according to the report, are access to commercial capital and management skills. The UK Caribbean Chamber of Commerce has claimed, backed by independent research commissioned by the committee, that some managers appeared to require an undue amount of collateral for a loan to a West Indian, "possibly," said the report "as a result of stereotyping of West Indian entrepeneurs as a bad risk — a stereotype not supported by the experience of banks who have made business loans to West Indians."

Barclays Bank is "particularly unhelpful" claimed the Caribbean Chamber, which represents 500 businessmen. Barclays is currently investigating these allegations but the committee has recommended "that banks satisfy themselves that their managers are making decisions on business loans to West Indians on purely commercial criteria.

Twelve of the report's recommendations relate to education. As the committee said: "Disadvantage in education and employment are the two most crucial facets of racial disadvantage. They are closely connected."

The only finance specifically earmarked by the Government to combat racial disadvantage is money available under section 11 of the Local Government Act 1966. Here local authorities with substantial numbers of immigrants from the Commonwealth, can obtain grants for specific services at 75 per cent of expenditure.

In 1980-81 £50m was paid to local authorities, over 85 per cent going towards the salaries of teachers and other educational staff, either in specialist language teaching or in schools with a significant Commonwealth immigrant presence. The system is currently under review and the Government may integrate it into the new grant-related expenditure system of assessing rate support grant.

The committee argued that such integration should not be made believing that if money was buried in a block grant, "*we could not be confident* that it would be spent by local authorities specifically on those services for which there was 'ethnic weighting'."

According to the sub-committee, "there is no single aspect of section 11 payments which have escaped criticism." Funds, for example, are only eligible for projects involving immigrants with less than 10 years' residence in this country but, as Liverpool shows, racial disadvantage can span 100 years.

Neither is the effectiveness of this large sum of money effectively scrutinised by the Home Office, according to the committee. It has recommended that claims be accompanied by a "coherent and long-term statement of intent as how the authority envisages the funds claimed will help meet the needs of local authorities."

The Urban Programme, administered by the Department of the Environment, is a second source of inner-city funding. But according to blacks in Liverpool no mechanisms exist for "involving local communities in the plan for the restoration of the urban areas."

The committee's recommendations on this—proposing that local authorities receiving Urban Programme money should review arrangements for the selection of projects—ties in with its more controversial proposal for greater inter-departmental co-ordination of projects and proposals concerning ethnic minorities.

The committee had been told by Mr Timothy Raison, Minister of State at the Home Office, that the Home Office would not call itself a co-ordinating department.

Any notion of anybody in Government being in charge of monitoring race relations performance of *all* the differing departments, he said, was likely to "*cause more friction than it would resolve.*"

He reminded the committee that the Cabinet and its committees co-ordinated departments but, because of their secret nature, he would not say whether a Cabinet committee relating to race matters existed.

However, the committee has disagreed with Mr Raison, criticising the Home Office's reluctance to interfere in ethnic minority concerns which it alleges leads to those concerns "going by default."

It recommends the radical step—a break with governmental tradition—of setting up an official inter-departmental committee to co-ordinate matters of racial disadvantage. This would be chaired by the Home Office.

Speculation that Mr Michael Heseltine, the Environment Secretary, currently preparing his report on the riots in Liverpool, may recommend a Minister for the Inner Cities be appointed has been dismissed by the committee as "humbug." Mr Wheeler said yesterday that to pretend that one person could tackle the problems was nonsense.

"If the Government is to take race relations seriously that responsibility must be taken up by a group of Ministers."

* *Racial Disadvantage: The Fifth Report from the Home Affairs Committee. Session 1980-81 Vol 1. SO £5.85.*

Letters to the Editor

The rail strike

From Mr L. Irvine-Brown

Sir,—I am not a regular reader these days but I bought the August 5 issue to see how you reacted to the threat of a rail strike and I must admit it was disappointing to find that you are no more responsible, even honest, in your approach to this problem than your more popular contemporaries. To quote you:— "a classic case of an overmanned industry — failing to put its house in order yet demanding more money for both pay and investment." What does such nonsense mean when applied to British Rail? Overmanned? There are reputedly some 10,000 vacancies in the industry. There were 52 trains cancelled last week on one region alone through shortages of staff and what trains there are have to be left filthy because BR cannot attract the people to clean them. Of course there are locomotives, perhaps as many as 5 per cent of the total, running with two men in the cab and this so-called "overmanning" is blown up in importance as though getting rid of that extra man would solve all the problems.

Put its house in order? But any but the most illiterate journalist, let alone the financial variety, must know that the main problem of British Rail is that its most publicised operation, the handling of commuters, is wildly uneconomic with the customers paying no more than two thirds of the cost. There's no mystery about this, it happens in every peak hour service in the world yet such is the inherent dishonesty of anti-rail reporting that Which? can write a long article on the commuter without apparently mentioning this most vital factor — you ignore it yourself.

That discrepency has got to be made up from some source which should be an area of profitable traffic, it used to be freight, but with the appropriate Ministry little more than an extension of the railway's main competitors and the Government itself obsessed with the virtues of competition, Peter Parker is left to go cap in hand to the Treasury to keep things moving at all. There's nothing he can do about putting that house in order when government not only controls the purse strings but decides, in a most arbitrary manner, the level of competition he has to face, be it from cut-fare coach or unregulated juggernaut lorry.

As for investment, with the cost of hydro-carbon fuels going up all the time and the future supply position anything but certain, do we really have to demand a full return on capital invested if we take steps to reduce our almost total dependence on this one source of energy?

L. Irvine-Brown,
Shalom, Church Street,
Wyre Piddle, Worcs.

Insuring trade

From the Principal Finance Officer, Export Credits Guarantee Department

Sir,—Mr Wolff (July 27) complains of increases in ECGD premium rates and asks why the department has not drawn instead upon past profits.

Since the unprecedentedly heavy claims of £550m which ECGD has paid over the past two years are equal to about twice its premium income over the same period, very substantial drawings on its interest-earning reserves have indeed been made—full details available in ECGD's published "Trading results." Clearly this is not a policy which can be continued indefinitely. While ECGD regrets the need for any premium increases, we are not alone in making them and our new premiums still compare favourably with European counterparts.

M. Stevens,
Export Credits Guarantee Department,
Aldermanbury House,
Aldermanbury, EC2.

Rates and rents

From Mr S. Orr-Ewing

Sir,—As a practising chartered surveyor and a member of a local valuation panel, I am writing to comment on the matters which arise from John Heddle's excellent letter of August 3.

Commercial tenants are now taking a very hard look at not only their rental charges but also their rating liability. Rates in central London now represent about 50 per cent of rental value. Non-prime property will, on this basis, become most unattractive and there are cases where the rates payable actually exceed the rental outgoings. This formula may well be applicable in Centre Point, New Oxford Street.

The Government has promised a Green Paper on domestic rates in the autumn. It should not ignore the predicament of the commercial ratepayer who, as Mr Heddle points out, has, at the moment, no say in the way in which his local authority conducts its financial affairs.

Local valuation panels would, I am sure, be sympathetic towards the granting of a remission of rates on part of a commercial property if it could be proved that that part was (temporarily) unoccupied. At the moment rating practice does not allow for this.

Simon Orr-Ewing.
46 St James's Place, SW1.

Whigs, not Tories

From the Deputy Chairman, The Selsdon Group

Sir,—The Selsdon Group is at least used to being described as "the Right-wing Conservative Selsdon Group"—(Tory group blames unions over jobless, July 28)—although Mr Brittan, in a work called, as far as I remember, "Left and Right: the bogus dilemma" has shown how meaningless the description really is. We must, though, draw the line at being called a Tory group. If we must be labelled by the names of long-dead bodies we are clearly Whigs not Tories.

Richard Henderson.
The Selsdon Group,
170, Sloane Street, SW1.

Cost-effective training

From the Director, British Rubber Manufacturers' Association.

Sir, — It would perhaps have been a courteous gesture if the Manpower Services Commission had afforded those who are directly concerned with its review of industrial training the same facilities as it appears to have given the Press. As it is, this association, representing one of the industries where employers believe they know more about their own training needs than a training board does, has not seen the MSC's review and is obliged to rely on the reports published in your paper and elsewhere.

You suggest in your leading article of July 31 that according to the MSC the rubber industry is one of a number of industries proposing to abolish their training boards and to put nothing in their place. This is emphatically not so. This association has made it clear to the MSC that it will set up voluntary training arrangements, and is ready to provide whatever financial and other resources are necessary to support these arrangements, if the board is abolished. The rubber industry attaches great importance to training, and indeed has maintained an industry training committee throughout the years that the training board has been in existence. But it does not believe that the panoply of national criteria, levies, training audits and the rest of the bureaucratic framework within which the training board operates is the best and most cost-effective way of achieving that training.

G. C. Gullan,
British Rubber Manufacturers' Association.
90-91, Tottenham Court Road, W1.

The Companies Bill

From the Director, Graduate Course in Administration, University of Dublin

Sir,—Mr Posner (July 28) has drawn public attention to a retrograde proposal in the third reading of the Companies Bill which would allow small and medium-sized companies to omit turnover and profit figures from the accounts they file.

The argument that the omission saves work is specious in that these figures exist in any case. In fact additional work would be imposed elsewhere. Those dealing with such companies would have to resort to other and more difficult routes to find information about credit-worthiness and viability.

The confidentiality argument is usually overdone; and the counter argument should prevail that the privilege of limited liability carries the price of disclosure to those who may be injured by the protection limited liability affords to private wealth which is accumulated out of the company's earnings.

Indeed, there is a good case for requiring that total purchases as well as total sales be shown on the filed accounts. This would indicate over a period what a company earns in total and enable suppliers and others who deal with it, or depend on it, to assess its relative strengths and weaknesses.

If the third reading proposal were to survive, British company legislation would be taking a backward step to join the weakest of its kind in the world instead of staying, where hitherto it has been, amongst the strongest. The lapse too would be extremely discouraging to the accountancy profession which has been striving to improve the standards of disclosure and of information in company accounts.

Amory Pakenham-Walsh.
Trinity College.
Dublin 2, Ireland.

Telephone charges

From the Managing Director and the Marketing Director TCS Computer Bureau

Sir,—As a busines that depends more than most on the use of telephone lines we are astonished and appalled at the increased charges now proposed for next November. Writing protest letters where a monopoly is concerned always seems an ineffectual exercise but sometimes outrage demands a gesture, futile though it may be.

Despite claims by British Telecom that domestic users will suffer more than business, it is quite clear that the reverse is true. Not only will businesses pay a larger increase on rental than domestic users (more than double) but most businesses are totally unable to make use of the "cheap" rate for calls—the only increase (7.5 per cent) that is reasonable in the present context.

But it is the size of the other increases that takes the breath away: 43 per cent for "peak" time and 61 per cent for "standard." If it is assumed that half of all business usage is made at each rate, the combined effect is an increase of 51 per cent. The overall increase will of course be greater to the extent that usage is currently concentrated at the "standard" rate.

It is therefore clear that the total impact of the imposed increases on the average business cannot be less than the 37 per cent rise in rental fees and will move up towards 50 per cent the more use that is made of the lines rented. In our case, even without the use of lines for data transmission, the total effect is an increase of 47 per cent.

Eric Chalker,
Rodney Gent.
5/7 Albemarle Road,
Beckenham, Kent.

Housing starts (and stops)

From the Director General The Brick Development Association

Sir,—A year ago, the first report of the House of Commons environment committee forecast that there would be a shortfall approaching 500,000 dwellings in Great Britain by the mid-1980s. Michael Cassell reports (August 1) that in its third report, just published, the figure has been revised downward to about 420,000.

Does this mean that the problem is being solved? Regrettably not, as even if both figures are correct we are now a year nearer to the "mid-80s" with over four-fifths of the shortfall to make good in only three quarters of the time and a rapidly shrinking stock of houses suitable for refurbishing. It does not seem to make much sense in these circumstances to continue slashing housebuilding programmes. The forecasts may not be exact, but they certainly point to a rapidly worsening slide towards disaster. Meanwhile the capacity of the brick industry, which will be called upon sooner or later towards replenishing the housing stock, is gradually withering away.

(Rear Admiral) Tony Monk.
The Brick Development Association,
Woodside House,
Winkfield, Windsor, Berkshire.

Today's Events

GENERAL

UK: British Airways publishes annual report and accounts.

Overseas: President Anwar Sadat of Egypt concludes visit to U.S.

Mr Zhao Ziyang, Prime Minister of China, continues visit to Philippines.

Turkey's Supreme Military Council concludes meeting on armed forces promotions and retirements, Ankara.

Washington Star ceases publication.

Sir Ronald Gardner-Thorpe, Lord Mayor of London, starts three-day visit to Mainz-on-Rhine.

COMPANY MEETINGS

Brickhouse Dudley, Strathallan Hotel, 225 Hagley Road, Edgbaston, Birmingham, 12.0. Caledonian Associated Cinemas, 4 Academy Street, Inverness, 12.0. Ferguson Industrial Holdings, Appleby Castle, Cumbria, 11.30. Imperial Continental Gas, Chartered Insurance Institute, 20 Aldermanbury, EC, 11.30. Scapa Group, Saxon Inn Hotel, Yew Tree Drive, Blackburn, 11.30. Tern-Consulate, Lawrence Road, Tottenham, N, 12.0. Daniel Thwaites, Millstone Hotel, Mellor, nr. Blackburn, 12.0.

COMPANY RESULTS

Final dividends: Longton Industrial Holdings. Phoenix Timber. **Interim dividend:** Scottish United Investors. **Interim figure:** Ferguson Industrial Holdings.

CITY OF LONDON LUNCHTIME MUSIC

Oom Pah Band concert, Tower Place, EC4, 12.0.

Cello recital by John Franca, St Lawrence Jewry, Gresham Street, 1.10.

Organ recital by Simon Gutteridge, St Dunstans-in-the-West, 1.10.

Recital by Miranda Suit (soprano), St Martin-within-Ludgate, 1.15.

Ladbroke's one-for-six rights to raise £26.4m

BY IAN RODGER

LADBROKE, THE leisure and property group which this week agreed to redevelop part of London's Savoy Hotel, is raising £26.4m in a one-for-six rights issue at 131p per share.

The group also reports an unchanged half-way attributable profit of £9.1m and is raising its interim dividend 10 per cent to 3.6p. No profit forecast for the year is offered but the board undertakes to raise the final dividend by 10 per cent to 3.8p.

Mr Cyril Stein, chairman, said the board's policy remained to develop a broad spread of businesses, some with strong cash flow, others with asset strength and capital appreciation. Property development would play an increasingly important role.

Earlier this year, a property organisation was set up in the U.S. and a number of development projects are being considered in the UK. During the past three financial years, the increase in the book cost of properties under development and held for dealing and investment has been approxiately £43m.

In the hotels division, two new hotels were opened last year and two more have been opened so far this year. The other divisions have also continued to expand organically and by acquisition.

In the past three financial years, capital spending, including acquisitions, was more than £130m, of which £126m was cash. The rights issue net proceeds of £25.5m will widen the capital base so that additional resources will become available for property development and investment and for further growth in the hotel, leisure and retailing operations.

The 20.17m rights shares, which are offered to shareholders on the register on July 31, do not rank for the interim dividend. Dealings begin on Monday and the final date for acceptance is August 28. The issue has been underwritten by Hill Samuel and L. Messel are brokers.

	First half 1981 £m	1980 £m
Turnover	342.3	322.5
Trading profit	17.8	17.9
Interest	4.1	3.8
Profit before tax	13.7	14.1
Taxation	†4.8	5.3
Net profit	8.9	8.8
Minority	0.2	0.3
Available	9.1	8.5

† Corporation tax estimated at 35 (35) per cent.

Lex, Back Page

HIGHLIGHTS

Lex looks at the final leg of the clearing bank interim reporting season with a relatively strong performance from Barclays which has pushed profits ahead slightly. Ladbroke is accompanying a useful halfway profit rise, excluding the contribution from casinos in the comparable period, with a rights call to raise £26.4m gross. Hoover is heavily in loss as aresult of the strong pound in its first half and flat consumer demand. Letraset has issued the first line of its defence against the bid fromMills and Allen International. Elsewhere, Gallaher has come back at Ofrex with a bid worth 170p per share, Amalgamated iDstilled Products is raising £2.6m through a rights issue to fund further acquisitions.

Hoover plunges to £6m loss midway

SECOND QUARTER losses of £2.27m, against £209,000, have left Hoover with a taxable deficit of £6.08m for the first half of 1981, compared with a profit of £1.56m for the corresponding period a year earlier.

In the light of the results the directors have decided to omit the interim dividend. They say recommendation of a final will be made when the figures for the full year are known — a net interim of 4p in 1980 was followed by a final of 2p per 25p share. The group incurred a pre-tax loss for the year of £2.75m.

Group sales for the half-year were virtually unchanged at £100.57m (£100.38m) despite market conditions continuing to be extremely difficult, both in the UK and throughout Europe. Price competition was extremely severe putting further pressure on margins which were already depressed.

In the group's manufacturing operations, higher levels of productivity continued and improved industrial relations were maintained. However, these benefits are not reflected in the results because the difficult market conditions forced the group to curtail its manufacturing activities by a continued programme of short-time working and reductions in manpower. Both were costly and had a major adverse effect on the half-year results, the directors say.

Redundancy costs in the period amounted to £3.1m and the directors warn that to achieve further rationalisation 500 voluntary redundancies are currently being sought at Merthyr Tydfil, the cost of which will be reflected in the third-quarter figures.

They point out that the recent fall in the value of sterling is welcomed. As well as giving a benefit to exports, it will put pressure on imports

New improved products are being planned which "will no doubt increase sales," and further measures will be implemented which will involve the group in additional costs.

These "are essential to restore the profitability of the company and to improve its competitive position within the domestic appliance market," the directors explain.

Group trading loss for the half year totalled £6.19m (£2.49m profit) but this was reduced by exchange gains of £111,000 (£936,000 loss).

Tax for the period took £712,000 (£1.16m) leaving a net loss of £6.79m (£402,000 surplus).

Provision for tax was made in accordance with SSAP 15. If the charge for tax had been calculated on a full provision basis to include all adjustments to deferred tax there would have been a tax credit in the half year of £582,000 (£1.19m charge).

There was a stated loss per share 34p (2p).

The group's ultimate holding company is the Hoover Company of Ohio.

See Lex Back Page

City of Copenhagen $15,000,000 9 per cent. 15 Year External Loan of 1970

NOTICE IS HEREBY GIVEN that, for the Sinking Fund of 1st October, 1981, a Drawing of Bonds of this Loan took place on 24th July, 1981, attended by Mr. Richard Graham Rosser of Messrs. De Pinna, Scorers & John Venn, Notary Public, when the following bonds were drawn for redemption at par on 1st October, 1981.

Bonds, which may be presented for redemption at any of the Paying Agents for the Loan, must bear the Coupon dated 1st October, 1982 and all following Coupons otherwise the amount of the missing Coupons will be deducted from the principal to be repaid.

BONDS DRAWN

179 Bonds of nominal value of $1,000 each

Numbers

7	8	9	406	408	411	414	576	577	578	579	661
668	695	1094	1095	1096	1097	1163	1169	1170	1711	1712	1714
1874	1875	1876	2207	2209	2252	2254	2255	2256	2257	2428	2429
2439	3092	3219	3224	3234	3254	3320	3385	3401	3593	3594	3603
3829	3830	3831	3832	3833	3896	3897	3914	4577	4579	4580	4738
4740	4741	5001	5071	5073	5074	5139	5150	5153	5277	5278	5279
5901	5903	5904	6057	6062	6064	6066	6430	6432	6433	6699	6702
6703	6705	6706	6707	6708	6709	7411	7415	7433	7572	7577	7597
7852	7856	7859	7861	7967	7968	7971	8084	8089	8109	8712	8713
8714	8873	8874	8875	9237	9242	9282	9335	9386	9387	9388	9392
9395	9397	9867	9873	9874	10029	10035	10036	10538	10539	10540	10541
10548	10549	10872	10873	10874	10922	10925	10936	11083	11086	11097	12171
12173	12174	12175	12176	12177	12178	12179	12180	12534	12535	12536	12695
12697	12698	13464	13465	13466	13467	13468	13469	13707	13711	13714	13835
13836	13858	13996	13997	14019	14508	14509	14531	14617	14619	14621	

Bond number 9345 which was drawn for the redemption on 1st October, 1975 has not yet been presented for repayment.

Bond number 9346 which was drawn for the redemption on 1st October, 1977 has not yet been presented for repayment.

The following numbered bonds which were drawn for redemption on 1st October, 1978 have not yet been presented for repayment:—

Numbers

48 95 498 1136 1137 1976 8394 8395 14264

The following numbered bonds which were drawn for redemption on 1st October, 1979 have not yet been presented for repayment:—

Numbers

798 1217 1378 1865 2328 4203 4734 7025 9251 9470

NOTE: Any of the above drawn Bonds with relative Coupons attached presented in the United Kingdom should be lodged for payment during office hours in London with:

Morgan Grenfell & Co. Limited, 21 Austin Friars, London EC2N 2HB or Hambros Bank Limited, 41 Bishopsgate, London E.C.2.

The usual interval of four clear days will be required for examination.

Office of Morgan Grenfell & Co. Limited — 7th August, 1981

State price rises upset Lord Nelson

A comparison of wage increases in the nationalised and private industries is made by Lord Nelson of Stafford, chairman of the General Electric Company, in his annual statement.

He says nationalised industries have, in a number of cases, agreed pay settlements well over anything companies earning their living in the world markets can offer, and have met the cost by imposing increased prices for their services. These have run far ahead of average price increases, he says.

He suggests that, perhaps, Government should agonise less about macro-economic theory and concentrate more on the improvement of the management of the enormous sector of the national economy which it directly or indirectly controls.

As known, pre-tax profits for the year to March 31, 1981 rose from £415.7m to £475.8m. Current assets totalled £2.5bn (£2.17bn) and shareholders' funds stood at £1.61bn (£1.36bn).

Meeting, Institution of Electrical Engineers, Savoy Place, WC, September 11, at noon.

H. Goldman loss mounts to £0.14m

IN THE year to October 31 1980 H. Goldman Group fell further into loss from £85,947 pre-tax to £140,702 on lower sales of £2.74m as against £3.64m.

By the half-year stage this wholesaler of hardware, clocks and watches had already incurred taxable losses of £50,000 (£39,000) and turnover stood at £1.65m (£1.56m).

No final dividend is to be paid, the interim having also been missed. Last year a single dividend of 0.07p net per 10p share was paid. The loss per share is stated at 6.117p (loss 3.774p).

Mr Brian Norman, chairman, says in his annual statement that it is too early to forecast the short-term benefits—in terms of profit accruing in the current year—of the already announced proposed acquisition of Blue Chip Marketing. But he says the directors would not be recommending this transaction if they did not believe that it will soon enable the group to return to profitability.

There was no tax charge for the year (£871).

Goode Durrant at £0.88m

TAXABLE PROFITS of Goode Durrant and Murray Group, the banking, financing and property development concern, improved from £764,000 to £882,000 in the six months to April 30, 1981 on turnover ahead at £27.83m, compared with £20.82m.

Tax took £282,000 (£245,000) and after same-again minorities and preference dividend payments, £10,000 and £9,000 respectively, profit attributable to ordinary shareholders emerged at £581,000 (£500,000).

Stated earnings per 5p share increased by 0.3p to 2.4p.

Kyowa Hakko bulldog issue

Kyowa Hakko Kogyo Company, the Japanese chemicals concern, has arranged a £15m 15-year convertible bond on the UK domestic sterling bond market. The bonds carry a coupon of 6½ per cent, payable semi-annually, and a conversion premium of 4.3 per cent based on the conversion price of Y484 per share.

The issue is managed by J. Henry Schroder Wagg together with Yamaichi International (Europe), IBJ International, Nomura International, Dai-Ichi Kangyo International and Union Bank of Switzerland (Securities). Brokers to the issue are Rowe and Pitman.

WINDING UP RESCINDED

An order for the compulsory winding up of Chatbridge Transport has been rescinded by Mr Justice Glidewell in the High Court. By consent, the petition has been dismissed.

Barclays ahead at £280m —£96m for windfall levy

DESPITE THE fall in base rate pre-tax profits of Barclays Bank group for the six months to June 30, 1981 increased by 15 per cent over the previous half-year from £244.4m to £280.3m and was slightly higher than the £279.1m of the corresponding half in 1980.

The interim dividend is being increased by 13.5 per cent to 10.5p net (9.25p) per £1 share. Last year a total of 18.5p was paid. Earnings per share are stated at 70.2p (52.8p).

Mr Timothy Bevan, chairman, says that the profit of the UK banking operations were approximately 10 per cent higher than in the second half of last year notwithstanding the 3 per cent fall during the period of average base rate from 15.6 to 12.8 per cent.

The main reason for this increase in profit is a lower charge for bad and doubtful debts—£59.7m as against £64.4m —although the widening of the margin between base and deposit rates was also a contributory factor.

Mr Bevan says the group's retentions have been affected very significantly by the Government's special windfall levy. This, he continues, is not based on earnings but on the level of non-interest-bearing sterling deposits at three arbitrary dates in the previous year.

"We have already expressed deep concern at this retrospective imposition by Government which is a significant drain on the group's capital resources and is expected to cost the group no less than £96m, the whole of which has been charged against profit in the first half-year as an extraordinary item," he says.

A breakdown of group profit before interest shows (comparatives for the first and second half of 1980 respectively): Barclays Bank £141.2m (£161.1m, £129.4m); Barclays Bank International £113.5m (£92.8m, £87.1m); Barclays Merchant Bank (£5.4m, £4.4m, £2.9m); Mercantile Credit £23.3m (£16.5m, £21.5m); other subsidiaries and associates £19.2m (£15.7m, £17.4m).

Mr Bevan points out that the international business has continued to expand with Barclays International profits — as shown above — increasing by 30 per cent over the second half of 1980. "We are now seeing good profits coming through from a number of our more recent investments, particularly in Europe."

Pre-tax profits of Barclays International improved to £93.7m (£83.9m) and its retained profits were up from £32.6m to £41.8m.

During the period under review Barclays raised funds in the U.S. domestic market, for the first time, through an issue of $100m capital notes. This involved more detailed disclosure of financial information which will be reflected in future annual reports, Mr Bevan says.

Group income from interest charges increased to £2.64bn (£2.13bn) and interest expenses to £1.84bn (£1.42bn) and there was other operating income of £275.4m (£224.7m). Operating expenses amounted to £752.5m (£601.9m) including staff costs of £496m (£400m).

Taxable profits were struck after interest on loan capital of £22.3m (£11.4m) and tax took £71.5m (£121.7m). Profit attributable to minority shareholders was £11.1m (£9.9m) and after the extraordinary item of £96.3m (nil) the attributable amount emerged at £101.4m (£147.5m). Dividends absorb £29.8m (£26.1m) leaving retained balance of £71.6m (£121.4m).

Current cost adjustments reduce the pre-tax profit to £158.7m (£145.9m).

See Lex Back Page

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AAA Industries	1.07	Oct 1	1.07	2.13	2.13
Amal. Distilled	0.5	—	0.5	1	1
Assoc. Tooling	2.26	Sept 16	2.06	4.06	3.86
James Austin	3	Oct 12	3	4.67	4.67
Barclays Bank ......int.	10.5	Oct 20	9.25	—	18.5
Peter Black Hldgs	3	Oct 12	2.78	4.54	4.25
Carron Co ......int	nil	—	0.85	—	1.28
East Lancs Paper ...int	1.66	Sept 18	1.66	—	3.5
Esperanza	4.2	Oct 2	4.2	6.7	6.7
Evode ......int	0.54	Sept 24	0.49	—	1.68
Ewart New Northern	3	—	2.5	4	2.5
Gnome Photographic	4.15	—	4.15	4.15	4.15
H. Goldman Group	nil	—	0.07	nil	0.07
Hoover ......int	nil	—	4	—	6
Ladbroke ......int	3.6	Oct 19	3.28*	—	6.76*
Law Debenture Corp int	3	Oct 1	2.5	—	7.25
Relyon PBWS ......int	2	Oct 5	1.8	—	4.8
David S. Smith	4.5	Sept 28	4.5	7	7

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

ADP finance for acquisitions

Amalgamated Distilled Products, which will be headed by Mr James Gulliver from next month, is to raise £2.6m by means of a two-for-five rights issue of 4.3m ordinary shares at 60p a share.

The proceds will go to help finance the cash element in ADP's simultaneous agreed offers for George Morton and North West Vintners, for which combined initial outlay is £7.5m. The for the share capital increase entire package is subject to the approval of ADP shareholders at an extraordinary meeting on September 3.

Morton is an unlisted public company whose principal businesses, based in Montrose, is the handling of dark rum which it sells to the Scottish liquor trade under the brand name OVD. Sales for the year to January 31 1981 were £8.6m and pre-tax profits £0.5m.

The offer for Morton is a combination of cash, ADP ordinary shares and ADP 10 per cent convertible loan stock. It is equivalent to £14.48 per Morton ordinary share, valuing Morton at £3.28m. A cash alternative amounts to £12.11 per Morton share. There is also an offer of 50p cash for each Morton preference share.

North West Vintners is a private company, which retails liquor and tobacco products, mainly in the Midlands, the North West, and Wales. The majority of NWV's outlets are Liquorsave stores-within-stores in supermarkets owned by Kwik Save. Kwik Save has confirmed its agreement to the proposed change in control of NWV.

Sales and pre-tax profits of NWV for the year to April 4 1981 were £79.7m and £1.4m respectively. Net tangible assets of NWV at that date were £2.8m (excluding minority interests) and there were cash balances of £1.9m.

The initial consideration of NWV is £4.2m made up as to £1.655m in cash and 3.3m new ordinary shares in ADP. Further payments will become due in the event of NWV's profits exceeding £800,000 in each of the two years to March 31 1983. The extra payments may be in the form of ADP shares.

The expenses of the combined rights issue and offers will be in the region of £400,000.

ADP's sales fell from £9.7m to £8.8m in the year ended March 31, but profits before tax recovered from £69,000 to £117,000. There was a further surplus of £140,000 (£68,000) on the sales of maturing whiskies. The final dividend of 0.5p (net) maintains last year's payment of 1p for the year.

● comment

The hectic rise in the shares of ADP to their suspension price of 85p was fuelled by speculation over ADP's future as a vehicle for the expansionary plans of its chairman-elect. It is of only historical interest, therefore, that the suspension price turns out to represent 46 times fully-diluted earnings. Following the proposed injections of Morton and NWV, the pro-forma finances of ADP are very different. Turnover rises from £9m to £97m, and profits before tax increase by 1600 per cent. On this basis, the fully-diluted ex-rights p/e falls to just under 10. The speculative shareholder in ADP may not have reckoned on being asked to subscribe rights capital. The issue is underwritten and priced at a 30 per cent discount to the suspension price. A discount of 22 per cent against the 77p bench-mark used in the two share offers may be a more realistic guide to the ex-rights price when the quote is restored.

Smith Bros. makes record profit

Smith Bros., one of the leading firms of jobbers, achieved a record pre-tax profit of £1.87m in the year to April 30, but only £473,000 of this was made in the second half.

Mr Tony Lewis, the chairman, attributed the downturn in the second half—which compared with profits of £1.72m in the comparable period in 1979-80— to the "substantially higher costs resulting from continuing high levels of interest rates."

There were also losses of £24,000 at the attributable level from the subsidiary which operates in the European Options Exchange in Amsterdam. Smith's business there is now virtually at a standstill.

By contrast, Mr Lewis said yesterday that the group was making reasonable profits in the London Traded Options Market. He was also happy with the U.S. subsidiaries which had made profits for the first time.

In the main business, equities trading made a "meaningful contribution to profits," Mr Lewis said, underlining the fact that the company does not just depend on its South African specialisation.

Last year the company warned shareholders that it intended to adopt a more prudent dividend policy in order to build up reserves. So, despite a 65 per cent increase in earnings per share to 9.9p, the dividend for the year is only 3p (including a 2p final), compared with 2.5p the previous year.

This left retained earnings of £594,000 carried forward to reserves.

In current cost terms, however, retained profits amounted to £77,000. Monetary working capital adjustments of £650,000 and a gearing adjustment of £117,000 were the major factors in producing CCA pre-tax profits of £1.3m.

Since the year end, Mr Lewis said, turnover in the market had been contracting which would have a significant impact on a marginal business like jobbing. However, he would not commit himself to a forecast of current trading results.

The market was unmoved by the results. The shares remained steady at 36p where the gross dividend yield is 13 per cent.

● comment

Smith Bros. was not able to pull off a repeat of its strong first-half performance. The first six months showed a near £2m turnround to £1.4m but the £470,000 tax profits in the second half compared with £1.7m in the comparable period a year before. The second half did have to bear about £100,000 of depreciation on the new computer installations and, clearly, the £22,000 half-time losses from the European Options Market subsidiary intensified. However, the main problem is that shared by other jobbers: carrying stock, particularly in international markets, at times of high interest rates, devours trading profits. Nevertheless the company seems happy for the present with its capital base which, with the extra £500,000 retained this time, is now touching £5m. The shares were unchanged yesterday at 36p.

Evode improves to £825,970

DESPITE THE continuing recession and destocking in its markets, Evode Holdings' taxable profits moved ahead from £752,417 to £825,970 in the half year ended March 28, 1981. Turnover however was lower at £15.65m compared with £16.35m.

The interim dividend is being increased to 0.539p net (0.49p) per 20p share. Last year a total of 1.68p was paid.

Third quarter sales volumes of this adhesive and jointing compound manufacturer are at similar levels to the first half the directors say, with no sign of an end to the recession. The year end figures are unlikely to be significantly different from the previous year's £2.07m.

The company is however investing heavily in new plant with capital expenditure at the year end likely to be 50 per cent up on the previous year, and twice the level of 1978/79.

The directors say the recession has been felt in all sectors in which Evode operates, with only DIY products showing limited growth—helped by the launch of the Homeseal range of sealants and Watertite tile adhesives.

General industrial demand for adhesives and sealants remains depresesd. Vik Supplies has been adversely affected by a downturn in the footwear trade and Allweather Evode paints has maintained market share on significantly reduced volumes. Evode Roofing performed satisfactorily during the mild winter.

● comment

Evode Holdings expects a flat full-year result despite slightly improved margins in the first six months. Both its paint and footwear divisions, more than 20 per cent of sales, are severely depressed, with the former dropping into a loss for the first six months. Selling prices overall have fallen by some 6 to 8 per cent and show little signs of picking up this year. Margins have been held up so far by strict cost control and productivity gains. The group's capital spending programme calls for some £1.5m this year but it will be funded internally. Gearing is still negligible. Continued new product launches and stable market share for most of its traditional lines mean Evode could return to its former pattern of growth by mid-82. In the meantime, the company should comfortably maintain its final pay-out but, after a 2p rise to 77p yesterday, the prospective yield of 3.3 per cent leaves little margin for error.

SPAIN

August 6	Price %	+ or −
Banco Bilbao	352	
Banco Central	379	−3
Banco Exterior	395	
Banco Hispano	322	−3
Banco Ind. Cat.	121	
Banco Santander	408	−3
Banco Urquijo	226	−2
Banco Vizcaya	379	+5
Banco Zaragoza	248	
Dragados	215	+5
Espanola Zinc	80	+1
Fecsa	71.5	+0.3
Gal. Preciados	50.5	
Hidrola	78.5	−0.5
Iberduero	57.2	−0.5
Petroleos	126	−2
Petroliber	128	
Sogefisa	82	
Telefonica	78.5	+0.5
Union Elect.	76	

Relyon back to former levels

profitability at Relyon PBWS have returned to the levels achieved before the current recession intervened, says Mr H. Brockenshaw, the chairman, in presenting the accounts for the six months to June 30 1981.

Pre-tax profits of this manufacturer of mattresses and divans, climbed from £558,000 to £1.02m, and turnover rose from £5.7m to £7.06m.

Despite the improvement however, Mr Brockenshaw says he is still very conscious that the pattern of trading remains very unsettled. Nevertheless, he says that with the knowledge of the creditable performance achieved by the group during the past two years of recession, it would be hard for him to be other than optimistic about its immediate future.

The interim dividend is raised from 1.8p net to 2p—last year's total was 4.8p from pre-tax profits of £1.45m. Stated earnings per 25p share are up from 3.27p to 5.98p.

Trading profit and investment income in the first half was higher at £1.03m compared with £568,000. There was a tax charge of £530,000 (£290,000), leaving net profits at £490,000

Esperanza advances to £3.82m

PRE-TAX profits of Esperanza, a holding company with interests in international services, moved ahead from £3.13m to £3.82m for the year to March 31, 1981. Turnover increased from £47.66m to £51.62m.

At half time pre-tax profits were £2.03m (£1.4m) on turnover of £26.09m compared with £23.38m.

The final dividend is held at 4.2p making the same net total of 6.7p. Earnings per 12½p share are stated at 9.5p compared with 8.9p.

The board says that during the first quarter of the current year trading conditions remain difficult: "If the strength of the dollar continues, however, the group's earnings can be expected to benefit."

Tax, other than ACT, took £1.72m against £1.44m, while ACT written off amounted to £588,000 (£447,000). Attributable profits were £1.04m (£1.05m) after minority interests of £398,000 (£197,000) and an extraordinary debit of £80,000 (nil).

Rolfe & Nolan turnover set to top £1m

Provided the current level of customers trading activity was maintained, turnover of Rolfe and Nolan Computer Services was likely to exceed £1m in the current year, Mr Malcolm Rolfe, the chairman, told the annual meeting.

He added that "it will be disappointing if the profits are not higher than last year."

For the year to February 28, 1981, pre-tax profits fell slightly to £155,000 (£160,000) on sales up from £576,000 to £770,000. The company provides computer software services and its shares are quoted on the unlisted securities market.

Although the current year began quietly with the level of commodity trading somewhat subdued, there had been a noticeable increase in activity in June and July, Mr Rolfe stated.

Since the year end over 10 new users had been added to the commodity accounting system and the chairman confirmed that the company was continuing to broaden its range of services on both the commodity broking and commercial sides.

Brasilvest S.A.

Net asset value as of 31st July, 1981

per Cr$ Share: 68.792

per Depositary Share: U.S.$6,616.16

per Depositary Share (Second Series): U.S.$6,212.98

per Depositary Share (Third Series): U.S.$5,287.32

per Depositary Share (Fourth Series): U.S.$4,939.48

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
110	100	ABI Hldgs. 10pc CULS	110	—	10.0	9.1	—	—
76	39	Airsprung	67	+1	4.7	7.0	10.6	14.7
52	21	Armitage and Rhodes	45	—	4.3	9.6	3.8	8.5
200	92½	Bardon Hill	198	—	9.7	4.9	9.6	11.7
104	88	Deborah Services	102	—	5.5	5.4	5.0	9.6
126	88	Frank Horsell	102	+1	6.4	6.3	9.2	22.2
110	39	Frederick Parker	64	—	1.7	2.7	27.8	—
110	64	George Blair	54	—	3.1	4.8	—	—
99	93	IPC	99	—	7.3	7.4	7.1	10.8
113	59	Jackson Group	109	−1	7.0	6.4	3.4	7.7
130	103	James Burrough	128	—	8.7	6.8	9.3	11.7
334	244	Robert Jenkins	307	+1	31.3	10.2	4.3	10.8
59	50	Scruttons "A"	59	—	5.3	9.0	9.1	8.4
224	191	Torday	191	—	15.1	7.9	7.3	12.6
23	8	Twinlock Ord.	14	−½	—	—	—	—
90	68	Twinlock 15pc ULS	76	—	15.0	19.7	—	—
56	35	Unilock Holdings	35xd	—	3.0	8.2	6.5	11.1
103	81	Walter Alexander	96	−1	5.7	8.9	5.3	8.5
263	181	W. S. Yeates	242	−2	13.1	5.4	4.8	9.3

THE TRING HALL USM INDEX

122.0 (+0.5)

at close of business 6/8/81

BASE DATE 10.11.80 100

Tel: 01-248 5675

CORAL INDEX

Close 533-538 (+2)

OIL INDEX

October Refined $42.20

January Refined $45.05

East Lancs. Paper shows improvement at midyear

ALTHOUGH PRE-TAX profits of the East Lancashire Paper Group improved from £63,000 to £318,000 in the first half of 1981 the directors say the figures still reflect the depressed state of the paper industry.

They say that the paper mill achieved record production and sales tonnage in the half year and with the current healthy state of the order book should continue to trade at a similar level of activity for the second half.

It is pointed out, however, that the results of the paper merchants and Waldorf are still being significantly affected by the recession.

The lack of profitability was due to severe price competition and the effect on costs of the strength of the dollar which are not allowing the mill to increase its prices sufficiently to achieve reasonable margins.

Waldorf's business has now been disposed of apart from educational and commercial stationery.

The directors are maintaining the interim payout at 1.66p—last year a final of 1.84p was paid although taxable profits were down from £1.61m to £102,591. In their review of 1980 the directors predicted a return to a more reasonable level of profit in 1981.

Sales of the group, which is concerned with the manufacture, processing and merchanting of paper and paper products, edged ahead in the first half from £21.06m to £22.09m.

The pre-tax surplus was struck after depreciation of £402,000 (£436,000) and interest charges £24,000 lower at £121,000. There was again no tax charge.

Stated earnings per 25p share rose sharply from 1.2p to 5.7p.

There was a loss of £98,000 (£28,000) from discontinued operations and minorities of £5,000 (£4,000). Transfer to reserves £125,000 (£59,000 loss).

• comment

East Lancs is now poised on a knife edge. Having achieved a reasonable recovery in its first six months, the company can carry on with pre-tax growth during the rest of this year—but only if it is able to implement paper price increases. These increases, however, depend upon the market and the broader economy and it is just as possible that East Lancs will merely break even in the second half. The group's pre-tax profit came almost wholly from its paper mill in the first half, with paper merchanting barely in profit. Although the order book is healthy, East Lancs continues to face the pervasive problems of expensive raw materials (influenced by exchange rates) and relatively low selling prices. One small consolation for the group is that Waldorf has now been cleared away and the remaining educational/commercial business seems to be manageable. Assuming the group just breaks even in the second half, the shares look highly valued on a prospective fully taxed p/e of more than 20. If the total net dividend is maintained, the yield would be just under 8 per cent at 65p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Conder International, Scottish United Investors.

Finals—Longton Industrial, Phoenix Timber.

FUTURE DATES

Interims—	
Algemene Bank Nederland ...	Aug 14
Algemene Bank Nederland ...	Aug 14
Comben ...	Aug 26
Corah ...	Aug 21
Home Counties Newspapers ...	Sept 11
Metal Closures ...	Sept 7
Pearl Assurance ...	Aug 26
Ultramar ...	Aug 13
Finals—	
Group Investors ...	Aug 11
Neepsend ...	Aug 14

James Austin lower: final held

TAXABLE PROFITS of James Austin Steel Holdings for the year ended March 31 1981 fell from £882,302 to £654,508 on turnover of £13.33m compared with £14.38m.

The final dividend of 3p will be maintained, making a same-again total of 4.67p.

Earnings per 25p share are shown to have increased from 10.05p to 13.09p. Without a tax credit of £205,000, which was a release of deferred taxation upheld in respect of stock relief at March 31 1980, earnings per share are reduced to 8.54p.

Commenting on the results, Mr Ronald G. Hooker, the chairman, says the fall in profit is in line with the forecast in the interim report. The down-turn in both demand and prices for steel is continuing and it is unlikely that there will be any significant improvement before the middle of 1982.

Although some valuable orders were secured by Austins Structural Engineers for the second quarter of the current year, the forward outlook in the construction industry "is not encouraging."

Until "there is some more positive sign of an upturn in the economy, both here and overseas, group trading will continue at a low level and profits will be meagre. The prudent action taken by the management in previous years, however, has ensured that the company is financially strong and in a better position than most to weather the current difficult times."

The group made a trading profit of £435,261 compared with £803,375 and received interest of £219,247 against £78,927. Tax took £65,390 (£430,046) leaving a net profit of £589,118 (£452,256). After dividend payments of £210,150 (same) retained profits came through at £378,968 (£242,106).

Current cost accounting reduces pre-tax profits to £628,000.

• comment

The slump in demand for steel last winter virtually flattened James Austin's second-half trading; pre-interest profits fell to less than a fifth of the comparable figure. The picture is not nearly so bleak pre-tax because the falling level of activity made for a strong inflow of cash. Even after spending £350,000 on West Valley Steels and perhaps another £250,000 on capital equipment for leasing, bank deposits increased almost six-fold between balance sheets. The write-back from deferred tax is alone almost sufficient to cover the maintained dividend; even without that benefit the current cost cover would still have been an ample 1.7 times. At 62p, up 2p, the shares yield 11.3 per cent.

Peter Black earns and pays more

TAXABLE PROFITS of Peter Black Holdings, manufacturer of footwear and travel goods, were £2.8m for the year to April 30 1981, compared with £2.34m. Turnover moved ahead from £29.21m to £32.17m.

The final dividend is to be raised from 2.78p to 3p, making a total of 4.54p compared with 4.25p. Earnings per 25p share are stated to have increased from 19.23p to 22.24p. Imputed tax credits associated with these dividends amount to a total of 1.946p per share.

After tax of £1.02m against £0.8m, attributable profits came through at £1.78m compared with £1.54m. CCA adjustments give pre-tax profits of £2.24m.

• comment

Peter Black continues to buck the recession with another year of advanced profits and sales. The group has cut stocks ruthlessly, eliminating short-term debt. Interest payments have dropped to 1979 levels with the result that income gearing has been whittled back to just over 16 per cent against 23.5 per cent last year. Manufacturing output has actually increased during the year—Marks and Spencer is a major customer—but margins in this sector remain under extreme pressure. The group has been cushioned by its two other activities, importing an an Adidas franchise for mail-order outlets and department stores. Adidas did not show the rapid growth of previous years but remains strong. Imported shoes have held up well in the UK market and should sustain the company through the rest of the recession. The shares, up 5p to 183p, yield 3.6 per cent while the fully-taxed p/e is 10.7.

AAA slows in second half

THE RECOVERY from loss to profit seen by AAA Industries in the first half of its financial year continued in the second six months, but at a slower pace, and for the full year to March 31 1981 taxable profits emerged at £167,064, compared with a deficit of £561,529.

At midyear the group returned a pre-tax surplus of £131,000 (£95,000 loss) and the chairman said he expected the recovery to be maintained for the year as a whole.

He says now that the results for the 12 months were satisfactory, were achieved in difficult trading conditions and indicate the group's progress from a strengthened trading base.

During the first four months of the current year all subsidiaries operated profitably with the exception of AAA Dynamics, the acquisition of which was completed in May last year.

The chairman says losses incurred by this company will have some bearing on the first half results but the reorganisation of it now taking place "will rectify this."

Turnover of the group, which manufactures pipeline protection materials, chemicals, furnace burners, flare and waste gas recovery systems, rose sharply over the year from £2.71m to £7.99m.

The pre-tax figure was struck after interest charges of £328,801 (£180,247) and associate earnings of £142,273 (£113,794 loss).

After tax credits of £94,651 (£273,366), there were stated earnings per share of 5.63p (6.53p loss).

A same-again final dividend of 1.065p net maintains the total at 2.13p per 25p share.

The attributable balance came through at £270,707 (£523,877 loss) after extraordinary credits of £11,817 (£235,714 debit).

Current cost accounting reduces the pre-tax surplus to £10,000.

The chairman points out that while interest charges were high, arising from increased borrowings to finance new acquisitions, borrowings will be substantially reduced following receipt of net proceeds of £767,000 from the sale of land surplus to the company's needs at Tonbridge.

He says the overall performance of subsidiaries during the year was satisfactory.

The company was formerly known as Anglo American Asphalt Co.

D. S. Smith down at fulltime

PRE-TAX PROFITS of David S. Smith (Holdings) for the year to April 30 1981 fell from £1.58m to £1.35m on sales of £7.79m against £8.72m. The final dividend of 4.5p will be maintained making a same-again total of 7p.

At half time pre-tax profits had been ahead at £864,000 against £686,000 on sales of £4.25m against £4.13m.

The company, which has interests in photolitho printed packaging material manufacturing, paid £688,236 in corporation tax compared with £845,500 and received a credit of £22,000 for deferred tax (credit £30,350). After deferred tax of £27,780 was written back (nil) attributable profit came through at £713,952 against £762,420 of which £335,124 was retained (£383,592).

Earnings per 20p share are stated at 12.7p compared with 14.1p. Current cost accounting produces a pre-tax profit figure of £1.08m against £1.23m.

Carron still in the red

IN THE half year to June 30, 1981 Carron Company (Holdings) turned in a taxable loss of £771,000 as against a profit last time of £67,000 struck after extraordinary debits of £204,000. Turnover fell from £20.1m to £15.8m.

Consideration of an interim dividend has been deferred until November. Last year this manufacturer of metal, plastic and general engineering products made an interim payment of 0.85p net per 25p share together with a final of 0.425p on a pre-tax loss of £1.26m (£1.61m profit). The loss per share for the six months under review is stated at 4.59p (0.04p earnings).

The directors say the fall in turnover for this period reflects the low ebb to which the building industry has fallen.

There are no signs yet of an upturn in business but the directors are hopeful that some improvement in Carron's performance will be seen in the second half. This will result from rationalisation within the company rather than any increase in demand, they say.

Carron has now received planning permission for the development of its site at St Katherine's Way to erect 53 flats and 50,000 sq ft of offices together with all the necessary ancillary services. Agreement has been reached in principle with Espley-Tyas Property Group to develop the site jointly. On completion it will provide the company—without any further financial commitment—with a substantial profit and valuable long term investment the directors add.

There was no tax charge for the six months (£61,000) and thus the attributable loss emerged at £771,000 (£6,000).

THE POWER STRUGGLE AT ILLINGWORTH MORRIS

Mrs Mason makes it clear—'three must go'

BY REG VAUGHAN

THE BATTLE lines are now firmly drawn for yet another boardroom brawl at Illingworth Morris, the world's largest wool textile concern, but the outcome may not be a foregone conclusion.

The central figure in the scenario is influential shareholder Mrs Pamela Mason, the Los Angeles-based TV chat show hostess and former wife of Mr James Mason, the film actor, who is attempting to oust three of the group's executives because of the company's poor performance.

Mrs Mason's planned boardroom shakeout was signalled in a telexed message from her Beverley Hills home last month calling for the dismissal of Mr Donald Hanson, the chairman, joint chief executive Mr Peter Hardy and Mr Tommy Yeardye, the man she installed on the board at a stormy shareholders' meeting two years ago.

In her capacity as executrix of the estate of her late father, Mr Isidore Ostrer and his brother Maurice, who together built up the business, Mrs Mason has access to a 46 per cent stake in the company, although in practice she controls over half of the shares eligible to vote.

This voting power, which she has wielded with considerable effect in past boardroom battles, is now to be challenged through the courts.

There is widespread concern in the rest of the family at the way Mrs Mason has handled her father's affairs. And in a move aimed at removing her controlling influence over the company plans are afoot to have a judicial trustee appointed to the Ostrer estate.

With the support of the family this move is being spearheaded by Miss Isabella Ostrer (now Mrs Blench), Mrs Mason's half-sister, who has a court action pending. This case is down to be heard before the Master of the Rolls on October 16.

Meanwhile, Miss Ostrer is seeking an interim injunction to prevent Mrs Mason using her power to remove the three directors at an EGM likely to be called next month.

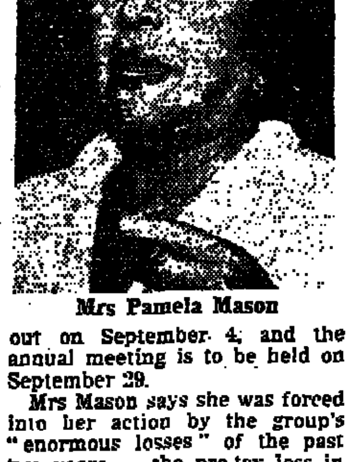
Under the legal action, Mrs Mason is obliged to file her reasons why it has taken so long to wind up the Ostrer estate. Miss Isabella Ostrer, Mrs Mason and another of the Ostrer children are entitled to a one-third interest each in the Ostrer estate.

Court action aside, another element in an increasingly confused situation is that Mrs Mason has signalled that she is in the market to sell the Illingworth Morris shares she controls.

She is understood to be considering a number of offers, including one from an American group. It is thought that these talks are unlikely to lead to anything conclusive. Other talks are with two UK groups.

At the Illingworth Morris headquarters at Saltaire in West Yorkshire the beleagured directors are worried about the impact of Mrs Mason's latest actions. The group is in the process of drafting the necessary documents for the calling of an EGM as demanded by Mrs Mason and the date of the meeting is expected to be known later today after a routine board meeting.

Neither Mrs Mason nor her son Morgan are expected to attend. The annual accounts of Illingworth Morris are to be sent



Mrs Pamela Mason

out on September 4, and the annual meeting is to be held on September 29.

Mrs Mason says she was forced into her action by the group's "enormous losses" of the past two years — the pre-tax loss in 1980/81 was £2.41m — and the fact that the dividend has been passed for the first time. But she is understood to be particularly miffed about new borrowing arrangements with the group's banks under which they took a charge on the company's assets.

In her telex she referred to "losing the confidence of Lloyds and Barclays Banks."

Whatever happens at the EGM, the executive directors of Illingworth are not going without a fight. They have said that they have no intention of resigning and Mrs Mason's plans will be "vigorously contested."

By way of replacements Mrs Mason wants to appoint a UK man from outside the company to take over as chief executive —someone she says who has wide financial experience. She has also said that there are some "very capable" people from inside the company ready for promotion.

The directors said they regret that "Mrs Mason has felt it necessary to damage the company in this way." The company says that Mrs Mason's actions have had a "detrimental effect" on trading, with customers becoming unsettled about the company's future. Despite this current trading is on a recovery trend, it says.

Mrs Mason's talks to sell the Illingworth shares under her control are not being taken too seriously by the company at the moment, but if the talks become firmer it could lead to the shares being suspended.

On the London Stock Exchange yesterday the ordinary shares fell 1p to 20p and with the "A" (non voting) at 12p the company is valued at £5.6m. This compares with book worth of £25.9m at March 31 1980.

Barclays Bank

Interim Statement for the half-year ended 30th June 1981

The Barclays Group profit before taxation for the half-year to 30th June 1981 is £280·3m. This represents an increase of 15% on the profit of the previous half-year and is virtually the same as the profit in the corresponding period of 1980.

The Board has decided to pay on 20th October an interim dividend for the year ending 31st December 1981 of 10·5p per £1 Ordinary stock (an increase of 13·5% over the interim for 1980: 9·25p) in respect of the stock registered in the books of the company at the close of business on 3rd September 1981. This is equivalent to 15·0p gross on that stock. An interim dividend of 7p per £1 on the Staff stock will be paid at the same time to holders registered on 30th June.

During the first half of this year base rate has fallen to average 12.8% but the further reduction in interest rates in the United Kingdom, which would be most beneficial to the business community, has been postponed. (Average base rate for 1980 – 16·3%.)

The profit of the UK domestic banking operations is approximately 10% higher than in the second half of last year despite the 3% reduction during the period in average base rate from 15·6% to 12·8%. The main reason for the increase in profit is a lower charge for bad and doubtful debts, although a widening of the margin between base and deposit rates has also been a contributory factor. Combined profits from the other UK operations, which include Mercantile Credit, Barclaycard, Barclays Merchant Bank and Barclays Trust Company are over 12% higher than in the second half of last year.

An improvement in customer service both in the personal and corporate sectors, so far as this is compatible with cost containment, continues to be a priority.

International business has continued to expand, and contributes increasingly to our overall Group performance. Barclays International's profit before loan stock interest and taxation shows an increase of 30% over the previous half-year. We are now seeing good profits coming through from a number of our more recent investments, particularly in Europe.

During the first half of this year we raised funds in the U.S. domestic market for the first time through an issue of U.S. $100m capital notes. This involved more detailed disclosure of financial information, which will be reflected in future annual reports to stockholders.

Our retentions have been affected very significantly by the imposition of the special levy which is based not on earnings but on the level of non-interest bearing sterling deposits at three arbitrary dates in the previous year. We have already expressed our concern at this retrospective imposition by Government which is a significant drain on the Group's capital resources and is expected to cost the Group no less than £96m, the whole of which has been charged against profit in the first half-year as an extra-ordinary item.

Timothy Bevan

Timothy Bevan, Chairman, Barclays Bank Limited, 6th August 1981

THE BARCLAYS GROUP
CONSOLIDATED PROFIT & LOSS ACCOUNT (UNAUDITED)
(Historic cost basis)

	Half-year ended 30th June 1981 £m	Half-year ended 31st December 1980 £m	Half-year ended 30th June 1980 £m
Operating profit	274·6	232·8	265·9
Share of profit of associated companies	28·0	25·5	24·6
Total Group profit	302·6	258·3	290·5
Interest on loan capital	22·3	13·9	11·4
Profit before taxation and extraordinary items	280·3	244·4	279·1
Taxation	71·5	30·4	121·7
Profit after taxation	208·8	214·0	157·4
Profit attributable to minority stockholders of subsidiary companies	11·1	13·7	9·9
	197·7	200·3	147·5
Extraordinary items:			
Special levy on banking deposits	(96·3)	—	—
Other items	—	0·5	—
Profit attributable to members of Barclays Bank Limited	101·4	200·8	147·5
Dividends	29·8	26·1	26·1
Profit retained	71·6	174·7	121·4
Earnings per £1 Ordinary stock	70·2p	71·3p	52·8p
Dividends per £1 Ordinary stock	10·5p	9·25p	9·25p

NOTES:

1. The bases of accounting are as explained on pages 55 and 56 of the 1980 annual accounts.

2. Analyses of total Group profit:—

	Half-year ended 30.6.81 £m	31.12.80 £m	30.6.80 £m
By nature of income/expense:			
Interest income	2,644·6	2,262·2	2,128·9
Interest expense	1,837·9	1,507·9	1,421·1
Net interest income	806·7	754·3	707·8
Other operating income	275·4	242·1	224·7
	1,082·1	996·4	932·5
Operating expenses:			
Staff	496·0	464·6	400·0
Premises and equipment	119·3	107·3	96·7
Other	137·2	131·5	105·2
	752·5	703·4	601·9
	329·6	293·0	330·6
Charge for bad and doubtful debts	59·7	65·9	64·4
	269·9	227·1	266·2
Profits/(losses) on realisation of investments	4·7	5·7	(0·3)
	274·6	232·8	265·9
Share of profit of associated companies	28·0	25·5	24·6
	302·6	258·3	290·5

	Half-year ended 30.6.81 £m	31.12.80 £m	30.6.80 £m
By source:			
Barclays Bank Limited	141·2	129·4	161·1
Barclays Bank International	113·5	87·1	92·8
Barclays Merchant Bank	5·4	2·9	4·4
Mercantile Credit	23·3	21·5	16·5
Other subsidiary and associated companies of Barclays Bank Limited	19·2	17·4	15·7
	302·6	258·3	290·5

3. The amount charged against profit in respect of bad and doubtful debts comprises:—

	Half-year ended 30.6.81 £m	31.12.80 £m	30.6.80 £m
Charge for specific provisions	50·3	62·7	40·2
Charge for general provisions	13·1	5·4	26·2
	63·4	68·1	66·4
Recoveries of amounts previously written off	(3·7)	(2·2)	(2·0)
	59·7	65·9	64·4

4. The charge for taxation is based on an estimated effective rate for the year which assumes a UK corporation tax rate of 52% and takes account of the principles of SSAP No. 15. The estimated effective rate for the year allows for the continued provision of 25% of the potential deferred taxation liability in respect of leasing transactions in the UK.

5. The 1981 Finance Act imposes a special levy on non-interest bearing sterling deposits. The Group's liability for this levy, which has been announced as 'once for all', is expected to be £96·3m. This amount has been provided in full as an extraordinary item in the half-year to 30th June 1981.

6. Earnings per £1 Ordinary stock are based on profit before extraordinary items and after taxation, minority interests and dividends on Staff stock, related to the Ordinary stock in issue during the half-year.

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
(Current cost basis)

	Half-year ended 30th June 1981 £m	Half-year ended 31st December 1980 £m	Half-year ended 30th June 1980 £m
Historic cost operating profit	274·6	232·8	265·9
Current cost adjustments:			
Monetary working capital	(123·5)	(67·1)	(139·5)
Additional depreciation	(16·4)	(23·8)	(6·9)
Cost of sales	(0·9)	(0·7)	(1·9)
Current cost operating profit	133·8	141·2	117·6
Share of current cost profit of associated companies	18·3	18·0	10·1
	152·1	159·2	127·7
Interest on loan capital	(22·3)	(13·9)	(11·4)
Gearing adjustment	28·9	18·4	29·6
Current cost profit before taxation and extraordinary items	158·7	163·7	145·9
Taxation	(71·5)	(30·4)	(121·7)
Current cost profit after taxation	87·2	133·3	24·2
Attributable to minority interests	(5·8)	(5·3)	(5·0)
Extraordinary items:			
Special levy on banking deposits	(96·3)	—	—
Other items	—	0·5	—
Current cost profit attributable to stockholders	(14·9)	128·5	19·2
Dividends	(29·8)	(26·1)	(26·1)
Current cost profit retained	(44·7)	102·4	(6·9)
Current cost earnings per £1 Ordinary stock	28·9p	45·6p	6·8p
Dividends per £1 Ordinary stock	10·5p	9·25p	9·25p

The current cost accounts have been prepared in accordance with SSAP No. 16, Current Cost Accounting. Adjustments to the historic cost accounts are as explained on page 71 of the 1980 annual accounts.

BARCLAYS

Registered Office:

54 Lombard Street, London EC3P 3AH

Registered No. 48839.

BIDS AND DEALS

Gallaher tops up Ofrex bid

Gallaher, the tobacco group owned by American Brands of the U.S., has raised its bid for **Ofrex**, the UK office supplies and industrial products group, by 10p to 170p per share, which values Ofrex at £33.8m

This latest move in the lively battle between Gallaher and another U.S. group, Dennison Manufacturing, for Ofrex, came only a day after the Ofrex directors had decided to recommend that shareholders accept Dennison's 160p rather than Gallaher's.

Meanwhile, Dennison managed to buy another 652,600 Ofrex shares in the market yesterday morning at 160p before the announcement of the new Gallaher offer pushed the Ofrex share price up to 168p. The price subsequently eased to 164p, apparently reflecting concern that a successful Gallaher bid might be queried by a court injunction in the U.S. on anti-trust grounds.

An American Brands subsidiary, Swingline, supplies about two-thirds of the U.S. stapler market and Ofrex would add slightly to its U.S. market share as well as giving it a dominant position in the UK.

Dennison, which now holds 27.7 per cent of Ofrex shares and has irrevocable undertakings from certain shareholders, including the Ofrex chairman, for another 15 6 per cent, said it would stand by for two or three days before deciding on what, if anything, to do next.

Ofrex was taking a similarly relaxed view. It was not hostile to Gallaher, but believed there could be anti-trust problems. Also, it had been forced into making a recommendation because the Dennison bid was conditional on its being recommended by the Ofrex board by yesterday.

Gallaher, which holds no Ofrex shares, argued that an injunction on anti-trust grounds was only possible if someone could show that he would be deprived of something, and this would be difficult. Subsequent inquiries were possible, but Ofrex shareholders would by then have sold their shares.

Churchbury's offer for Law Land extended

Churchbury Estates now holds and has received acceptances in respect of 67.85 per cent of the ordinary capital of **Law Land Company**. Its offer for the ordinary and preference shares was extended yesterday until August 26.

An extraordinary meeting of Churchbury to approve the increase in capital necessary to implement the offer is to be held this morning.

Mr Oliver Marriott, chairman of Churchbury, said this week that a new chief executive for Law Land — also to be appointed to the Churchbury board — would be named today.

He also expected to reply to last week's defence document from Law Land in which Sir Henry Warner, Law Land's chairman, criticised the "undue haste" with which some shareholders had acted in accepting the Churchbury offer long before the first closing date.

ARLINGTON MOTOR

Arlington Motors has agreed to purchase a fleet of 429 cars from Fleet (Contractors), a wholly-owned subsidiary of **Bath and Portland.**

Purchase price for the cars and premises is £964,319.

Letraset fires defence salvo

Letraset has chosen to maintain its dividend as its main defensive weapon against the unwelcome bid from **Mills and Allen International**. But, as the predator was quick to point out, there are no profit figures to support Letraset's dividend decision.

Yesterday the graphics and stamp dealing group sent its first defence document to shareholders claiming that MAI's 105p all-paper offer was "opportunistic, totally inadequate and unwelcome. It is an attempt to seize control of Letraset on the cheapest possible terms."

With the dividend maintained at 6.05p a share, acceptance of the MAI offer would mean a 19 per cent drop in income for shareholders, Mr Bill Fieldhouse, Letraset's chairman pointed out.

However, the profit figures for the year to April 30 are not expected before the end of the month and the first closing date for MAI's offer is August 14.

Mr Fieldhouse would not detail the group's trading fortunes beyond saying that the figures would be "within those indicated by the company during the year."

This would suggest write offs of perhaps £5m at Stanley Gibbons, the loss-making stamp dealing firm for which Letraset paid £19m two years ago. However, the group had not written off the £8m of goodwill attributed to Gibbons in reserves. "Gibbons will not lose money this year," Mr Fieldhouse said.

Meanwhile, the graphics business has maintained market share and margins in the UK, although volume has declined by 15 per cent. Abroad "significant sales increases" have been obtained in the U.S. and Japan and profits are said to be strong.

Mr Fieldhouse claimed that the group wanted to remain independent. "We are not looking for a white knight to save us from MAI," he said.

Letraset attacked MAI's "earnings vulnerabilities," which MAI promptly refuted on the grounds that its accounts over the past few years proved otherwise.

MAI was in money broking and insurance broking—"both volatile sectors," Letraset said. Its principal business, poster advertising, was also under both "economic and ethical pressures," and it needed Letraset's profits to "shore up" its own vulnerabilities.

See Lex Back Page

Loss-maker F. Austin is interested in Beautility

F. Austin (Leyton), the loss-making furniture manufacturer, is engaged in talks with the Bowater Corporation regarding the purchase by Austin of the group's **Beautility** furniture offshoot.

A further announcement on the talks which are taking place through Bowater Associated Products and Trading — is expected to be made shortly.

In the latest Bowater report and accounts (issued in April) the directors stated that the group's furniture company "traded in very adverse conditions which earlier rationalisation measures were insufficient to counter" and a trading loss of £1.7m was shown. However, they said that new ranges launched had been well received in the market.

Austin reported a loss of £0.81m in the second half of 1980/81 taking the year's deficit up £1.23m pre-tax. Austin, too, has taken action to stem losses and has also successfully launched new products.

The directors said in April that sales in the first quarter of the current year had recovered to levels over budget and full-time working had been resumed.

The company, they said, was operating close to break-even and continued improvement into profitability was expected.

ELECTROCOMPONENTS

Electrocomponents has acquired by purchase and subscription 60 per cent of the equity and 100 per cent of the preference capital of **Radionics**. Total consideration is IR£517,000 cash.

Midland Inds. acquisition

Midland Industries, the engineering and ironfounding group, has agreed to acquire all the property and trading assets of Asselbergs Holland NV, Bergen Op Zoom, of Holland, and certain of its subsidiaries from the receiver for about £1.68m.

Asselbergs is the product of a merger of two well-established foundries in the Netherlands.

It was made bankrupt in April after incurring substantial capital expenditure of around £10m in developing a new foundry at Bergen Op Zoom and in closing its three original foundries.

MIL will commence trading at Bergen Op Zoom next Monday.

The consideration for the purchase (excluding transfer and other taxes) is equal to some £1.68m.

MIL considers that the acquisition will strengthen its position in the international market by enabling it to offer dual sourcing to multi-national customers and providing it with a base in Europe from which to expand exports.

Anglo American Gold Investment Company Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT AND NOTICE OF INTERIM DIVIDEND

The following are the estimated results of Anglo American Gold Investment Company Limited and its subsidiaries for the six months ending August 31 1981 together with comparative figures for the six months ended August 31 1980 and the year ended February 28 1981. These results should be read in conjunction with the notes below.

	Estimated for six months ending 31.8.81 R millions	Six months ended 31.8.80 R millions	Year ended 28.2.81 R millions
Investment income	140.2	156.5	321.4
Interest earned and other income	4.8	1.5	4.2
	145.0	158.0	325.6
Deduct: Administration and other expenses, interest paid, prospecting and mineral rights expenses	5.9	3.7	8.0
Group profit before taxation	139.1	154.3	317.6
Deduct: Taxation	0.9	—	—
Group profit after taxation	138.2	154.3	317.6
Preference dividends	1.3	1.3	2.6
Profit attributable to ordinary shareholders	136.9	153.0	315.0
Ordinary dividends	109.8	120.7	252.4
Retained profit	27.1	32.3	62.6
Number of ordinary shares in issue	21 952 012	21 952 012	21 952 012
Earnings per share—cents	623.8	696.9	1 434.7
Dividends per share—cents	500	550	1 150

Notes:

1. It should not be assumed that the results for the year ending February 28 1982 will necessarily be proportionate to the estimated results for the six months ending August 31 1981 since investment income does not accrue evenly during the year and certain costs, particularly those incurred on prospecting and mineral rights, vary materially from time to time.
2. In terms of the conditions of issue 6 250 000 of the company's 25 000 000 redeemable cumulative preference shares of 10 cents each were redeemed at their issue price of R1 per share on July 1 1981. Thereafter the remaining shares will be redeemed at their issue price in three equal half-yearly instalments.
3. It was announced on June 24 1981 that the Minister of Mineral and Energy Affairs had given the necessary approval to the granting and cession of the relevant mining leases to provide for the merging of the mining operations of Western Holdings Limited, Free State Saaiplaas Gold Mining Company Limited and Welkom Gold Mining Company Limited and for the development of a new mine to the east of Welkom in the Erfdeel/Dankbaarheid area of the Orange Free State. The net cost of financing the capital expenditure programme for the new mine will be provided by loans made available to Western Holdings by a new company Eastern Gold Holdings Limited, in which the group has a 9.5 per cent equity interest.
4. The group held a 20 per cent participation in the rights to exploit the surface and underground resources on the Kimberley reef, in respect of the property of Simmer and Jack Mines Limited, situate in the Germiston district of the Transvaal. These rights have now been acquired by East Rand Gold and Uranium Company Limited (Ergo) in exchange for the issue of 1 000 000 new shares. Consequently this group acquired 200 000 of these new Ergo shares. Ergo intends to undertake a prospecting programme to determine the viability of underground mining operations and to establish a plant to treat material from surface dumps and from underground ore at a total estimated cost of R55 000 000. The net after-tax cost of this project will be financed by loans to Ergo from the former owners of the rights in proportion to their holdings in the rights and, accordingly, this group will provide 20 per cent of the required finance
5. Particulars of the group's listed investments and the net asset-value are as follows:

5.1 Listed Investments

	At 4.8.81 R000	At 31.8.80 R000	At 28.2.81 R000
Market value	2 157 057	3 116 216	2 313 263
Book value	252 283	207 157	216 195
Appreciation	1 904 774	2 909.059	2 097 068
5.2 *Net asset value based on listed investments at market value and unlisted investments at directors' valuation—cents per share	10 565	14 956	11 429

* cum dividend

For and on behalf of the board
J. Ogilvie Thompson
H. F. Oppenheimer } Directors

INTERIM DIVIDEND

Dividend No. 67 of 500 cents per share (1980: 550 cents) being the interim dividend for the year ending February 28 1982 has been declared payable to shareholders registered in the books of the company at the close of business on August 21 1981 and to persons presenting coupon No. 67 marked "South Africa" detached from share warrants to bearer.

The transfer registers and registers of members will be closed from August 22 to September 4 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about October 1 1981. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on September 22 1981 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries on or before August 21 1981.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street Johannesburg 2001, and Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Holders of share warrants to bearer are notified that the dividend is payable on or after October 2 1981 upon presentation of coupon No. 67 (marked "South Africa") only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001, South Africa — Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland — Credit du Nord, 6 and 8 Boulevard Haussmann, Paris 9e, France, and Banque Bruxelles Lambert, 2 Rue de la Regence, 1000 Brussels, Belgium. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: D. M. Davidson
Divisional Secretary

Head Office:
44 Main Street
Johannesburg 2001
August 7 1981

London Office:
40 Holborn Viaduct
London EC1P 1AJ

LONDON TRADED OPTIONS

August 5. Total Contracts 1092. Calls 821. Puts 271.

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	300	32	—	48	1	56	—	332p
BP (c)	320	17	20	36	2	—	—	"
BP (c)	330	7	—	18	—	38	3	"
BP (c)	350	3	11	10	5	—	—	"
BP (p)	300	7	69	10	—	22	—	"
CU (c)	160	21	5	31	—	34	2	170p
CU (c)	180	13	1	20	4	22	4	"
CU (c)	200	8	—	10	—	14	1	"
Court'lds (c)	60	[illegible]	40	13	—	15	—	65p
Court'lds (c)	70	8	10	6	4	9	—	"
Court'lds (c)	80	1	—	2½	10	—	—	"
GEC (c)	700	80	—	112	1	135	—	765p
GEC (c)	750	40	51	73	—	93	—	"
Gr'd Met. (c)	160	47	1	—	-	—	—	205p
Gr'd Met. (c)	180	26	—	37	—	—	—	"
Gr'd Met. (c)	200	15	15	25	3	30	2	"
ICI (c)	260	18	2	34	5	42	—	276p
ICI (c)	280	10	13	22	—	32	6	"
ICI (c)	300	4	10	13	—	—	—	"
Land Sec. (c)	312	29	10	38	—	—	—	325p
Mks & Sp (c)	110	27	5	—	—	—	—	135p
Mks & Sp (c)	120	18	—	24	—	28	1	"
Mks & Sp (c)	130	10	17	15½	—	22	3	"
Mks & Sp (c)	140	5½	20	8½	7	—	—	"
Shell (c)	360	46	1	58	50	70	—	396p
Shell (c)	390	22	1	38	1	50	—	"
Shell (c)	420	10	10	24	3	—	—	"
		August		November		February		
Barclays (c)	390	60	4	62	—	60	6	446p
Barclays (c)	420	30	79	42	27	60	—	"
Barclays (c)	460	4	8	18	—	37	3	"
Imperial (c)	60	4	—	6	25	8	17	64p
Imperial (c)	70	½	—	3	15	4	18	"
Lasmo (c)	550	41	5	77	2	104	—	582p
P & O (c)	120	5	—	12½	2	14½	—	122p
P & O (c)	130	1	—	5	8	9½	—	"
Racal (c)	390	57	1	72	1	88	—	444p
Racal (c)	420	27	—	49	52	69	—	"
Racal (c)	460	6	—	37	13	44	—	"
Racal (p)	420	4	5	12	195	17	—	"
Racal (p)	460	19	2	29	—	32	—	"
RTZ (c)	460	135	-	147	5	162	—	591p
RTZ (c)	500	95	8	113	8	140	—	"
RTZ (c)	550	43	52	75	34	100	1	"
RTZ (c)	600	19	70	45	51	70	2	"

C=Call P=Put

MINING NEWS

Amgold moves into a less prosperous year

BY KENNETH MARSTON, MINING EDITOR

LAST YEAR'S doubling in the average price of gold to $614 per troy ounce produced a bonanza for the South African gold mining industry and also for its major shareholder, Anglo American Gold Investment (Amgold), which lifted 1981 earnings by 146 per cent to a record R315m (£182m). But now the picture has changed.

The retreat in the price of bullion has begun to make its mark on gold mining dividends and, in turn, on Amgold's income. Thus, the latter's results for the six months to July 31 show a fall in net profits to R136.9m, or 624 cents per share.

The latest figure, which has been cushioned by an increase of some R3m in interest earned, compares with R153m a year ago. Amgold is reducing its interim dividend by 50 cents to 500 cents (290p). The total for the year to February 28 last was 1,150 cents, covered 1.2 times by earnings.

As usual, the company points out that first-half results are not necessarily proportionate to those for the second half because investment income does not accrue evenly throughout the year and certain costs, such as those involved in prospecting, vary materially."

But unless there is a marked improvement in the price of gold, which was $395¼ yesterday, Amgold's results for the current half year are going to show a further decline. The shares were £43¾ yesterday which seems to be an adequate level for the time being, despite the company's undoubted financial strength.

Palabora's poor first half

ANOTHER POINTER to lower first-half 1981 earnings is expected from **Rio Tinto-Zinc**, which are due to be announced next month, comes from the group's 39 per cent-owned **Palabora Mining** in South Africa. Net profits for the six months to June 30 have dropped to R8.96m (£5.19m), from R31.24m in the same period of 1980 when the year's total reached R44.52m.

The latest half-year profit equals 32 cents (18.6p) per share. Palabora is declaring a second quarterly interim of 10 cents which makes 20 cents for the half year. For 1980 there was a first quarter interim of 25 cents followed by a second of 30 cents, a third of 30 cents and a fourth of 25 cents to make a year's total of 110 cents.

Palabora's problems stem, of course, from the low level of copper prices in the first half of this year, the average received for sales in the period being 22.8 per cent down on that of the first half of 1980.

In addition, lower prices were received in the latest period for the important by-product output of silver, gold and platinum group metals. Furthermore, uranium sales fell because the power utility buyer failed to obtain approval for the construction of a nuclear reactor. Uranium production is being stockpiled in the meantime.

As an open-pit operation, Palabora's costs are being inflated by the rising price of diesel oil for its haul trucks, but the effects of the latest increase in the price of diesel fuel will be offset to some extent by the introduction of an electric "trolley bus" system, which might be extended.

Just to make things worse, damage was sustained in April to one of the two autogenous grinding mills which resulted in a loss in copper production of some 1,400 tonnes. The latest financial results assume that the relevant insurance claim will be paid.

Copper sales in the first half of this year totalled 57,475 tonnes at a time when the price on the London Metal Exchange averaged £819 per tonne. It is currently around £994 and so there is the hope that Palabora will have a better second half. The shares were unchanged yesterday at 650p.

Seltrust Holdings in the red

AUSTRALIA'S **Seltrust Holdings**, the struggling offshoot of Selection Trust — now owned by **British Petroleum**—reports a loss for the half year to June 30 of A$2.84m (£1.82m). This compares with a profit of A$1.23m in the same period of last year and the 1980 total profit of A$4.1m.

The poor result does not come as a surprise in view of the recent comments by the chairman on the difficulties being experienced. Basically, these stem from the effects of low nickel prices and technical problems at the Agnew nickel mine in Western Australia.

As already announced, Seltrust is unable to pay the dividend due on its preferential "Z" shares for the half-year to June 30 — a dividend on the "A" ordinary shares is hardly likely in the near future—and the company is in process of raising some A$50m via a three-for-four rights issue of "A" shares at a price of A$1 to holders of both "A" and "Z" shares. The offer closes on August 17.

Announcing the issue in June the chairman said: "I realise that the current earnings performance does not provide the sort of background which a company would normally regard as desirable for the raising of further funds, but I feel that the shareholders will recognise that it is the longer term prospects to which they should have regard."

Because BP, which now owns 78.8 per cent of the company, intends to take up the new shares offered Seltrust should be able to support borrowings needed for another year. While Seltrust's outlook should improve in the longer term, however, there appears to be little incentive for shareholders—basically the Australian public—to support the issue.

Even so, the existing "A" shares still stand at 70p, which represents a useful premium over the rights offer price. The feeling is that, partly because Seltrust was formed in the first place as a vehicle for the Australian investing public to participate in Selection Trust's activities Down-Under, BP may make the shares more attractive by some sort of reorganisation of its overall important Australian interests.

AMBER DAY TO SELL STORES

Amber Day Holdings announces that transactions have taken place, or negotiations are at an advanced stage, for the sale of certain stores of the ladies retail fashion division (Amber Fashion Stores) which are held on short leases. It is envisaged that this will result, by the end of the current period, in the release of about £1.4m from capital employed.

The ladieswear fashion division will be substantially contracted but will continue to operate so as to be in a position to take advantage of any improvement in trading.

Among the assets to be sold, subject to shareholders' approval, are certain short leases and related assets to be purchased for £210,000 by Mr K. Randall and Mr M. Randall, both of whom are directors of Amber Day.

Following the sale, in respect of which conditional contracts have been exchanged, they will both resign from the board and will receive £25,000 each as compensation for cancellation of their service agreements.

MORE MUIRHEAD SHARES BOUGHT

Through a subsidiary, Tyco Laboratories has increased its shareholding in **Muirhead** to 1,981,500 ordinary shares (23.36 per cent) by the purchase of 50,000.

CYT Corporation (the subsidiary) intends to acquire from time to time, and subject to the market price, up to a further 450,000 ordinary shares of Muirhead which would increase its holding to 2,431,500 (28.66 per cent).

The directors of Muirhead have been informed, and have raised no objection.

Tyco and CYT have informed Muirhead that they have no present intention of making an offer to acquire the ordinary capital not already owned nor of acquiring shares beyond the number indicated.

UCM RESOLUTION APPROVED

United City Merchants state that a meeting of the holders of the 10 per cent convertible subordinated unsecured loan stock 1994-99 an extraordinary resolution was passed providing for an immediate suspension of conversion rights, and, in the event of the offer by Orion Royal Bank on behalf of Haynesville for the ordinary share capital of UCM becoming or being declared unconditional, the cancellation of the conversion rights and the cancellation of the stock with effect from September 30 1981.

An announcement as to the level of acceptances of the ordinary and preference share offers will be made by Orion Royal Bank on or before August 24.

WATES MOVES INTO INSURANCE

The private housebuilding company Wates Group, through its subsidiary Betworth, has acquired control of Charterhouse Magna Assurance, a small insurance company.

Acceptances of the offer of £2.45 a share have been received in respect of 98.14 per cent of the issued share capital and the offer has been declared unconditional.

Mr C. S. Wates and Mr A. T. A. Wates have joined the board of CMA.

BANK RETURN

	Wednesday Aug. 5 1981	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	38,416,258	+ 2,500,748
Bankers Deposits	615,947,862	— 21,355,246
Reserve & other Accounts	1,614,611,793	+ 76,522,819
	2,283,528,913	+ 57,668,315
Assets		
Government Securities	716,992,478	+ 25 5,621,260
Advances & other Accounts	1,002,786,092	— 92,855,153
Premises Equipment & other Secs.	551,548,795	— 84,632,426
Notes	11,922,888	— 1,478,120
Coin	278,660	+ 2,754
	2,283,528,913	— 67,668,315
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,825,000,000	— 150,000,000
In Circulation	10,813,077,112	— 148,521,880
In Banking Department	11,922,888	— 1,478,120
Assets		
Government Debt	11,015,100	—
Other Government Securities	9,004,253,780	— 65,585,622
Other Securities	1,809,731,120	— 84,414,378
	10,825,000,000	— 150,000,000

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$400	—	—	6	31	—	—	$394
GOLD C	$450	—	—	9	10	1	25	"
GOLD C	$475	—	—	—	—	2	15	"
GOLD P	$400	16	11	46	20	—	—	"
GOLD P	$425	—	—	13	34	—	—	"
		Oct.		Jan.		April		
ABN C	F.320	11	5	—	—	—	—	F.306
AKZO C	F.25	17	2	20	3.40	—	—	F.25.90
AKZO P	F.35	30	0.70	—	—	—	—	"
AMRO C	F.55	10	1.40	—	—	—	—	F.53.20
HEIN C	F.45	12	3.30	—	—	—	—	F.47.60
HEIN C	F.50	51	2.50	8	4	—	—	"
HEIN C	F.55	10	1.10	—	—	—	—	"
HEIN C	F.60	10	0.50	—	—	—	—	"
HEIN P	F.45	—	—	10	2.20	—	—	"
HOOG C	F.20	15	0.90	—	—	—	—	F.18.10
KLM C	F.90	16	25	—	—	—	—	F.116
KLM C	F.100	50	22	20	25	—	—	"
KLM C	F.110	269	15	21	22	10	25	"
KLM C	F.120	428	9	25	13.50	—	—	"
KLM C	F.130	174	5.50	21	9.50	—	—	"
KLM C	F.140	222	3.40	14	6	—	—	"
KLM C	F.150	68	1.70	12	4.10	—	—	"
KLM P	F.60	10	0.30	—	—	—	—	"
KLM P	F.65	10	0.40 A	—	—	—	—	"
KLM P	F.70	71	0.50	—	—	—	—	"
KLM P	F.80	251	1.10	—	—	—	—	"
KLM P	F.90	185	1.90	55	3.50	—	—	"
KLM P	F.100	160	3.50	14	6.50	—	—	"
KLM P	F.110	202	6.50	—	—	—	—	"
KLM P	F.120	38	10.50	—	—	—	—	"
KLM P	F.130	10	18 A	—	—	—	—	"
NEDL C	F.140	—	—	11	13.50 B	—	—	F.144.20
NEDL C	F.150	24	6 B	—	—	—	—	"
NATN C	F.120	—	—	12	3.50	—	—	F.113.10
NATN C	F.125	10	1	—	—	—	—	"
PHIL C	F.17.50	223	7.40	—	—	—	—	F.24.40
PHIL C	F.20	197	5.20 B	—	—	—	—	"
PHIL C	F.22.50	253	3.20	—	—	—	—	"
PHIL C	F.25	217	1.50	88	2.60	398	3.30	"
PHIL C	F.27.50	34	0.60	1632	1.80	—	—	"
PHIL P	F.22.50	—	—	20	0.90	—	—	"
PHIL P	F.25	—	—	15	1.90	—	—	"
POLA C	$25	—	—	10	5⅛	—	—	$28⅞
RD C	F.80	118	18	100	18	—	—	F.96.30
RD C	F.90	125	9.50	41	11	—	—	"
RD C	F.100	330	3	229	5	—	—	"
RD C	F.110	208	1.20	—	—	—	—	"
RD P	F.80	95	1.10	—	—	—	—	"
RD P	F.90	16	3.50	—	—	—	—	"
RD P	F.100	32	8	—	—	—	—	"
UNIL C	F.150	—	—	8	8.60	—	—	F.152
UNIL C	F.160	—	—	17	3.90	—	—	"
		Aug.		Nov.		Feb.		
BASF C	DM.140	40	8.60	120	11	80	16.50	DM 147.60
MAN C	DM160	60	3	60	8	—	—	DM 160.30
VW C	DM.170	—	—	—	—	12	8	DM 166.40

TOTAL VOLUME IN CONTRACTS 7578

A=Asked B=Bid C=Call P=Put

CURRENCIES, MONEY and GOLD

Dollar improves

The dollar continued to improve in currency markets yesterday in the absence of very large central bank intervention experienced earlier in the week. The Bundesbank was absent at the fixing in Frankfurt as the dollar was fixed at a five year high and this may have encouraged renewed buying interest.

Sterling was fairly steady against European currencies but dipped below $1.80 against the dollar again so that on an overall basis the pound was at its lowest level since December 1979.

European currencies lost ground against the dollar but once again showed little overall change within the European Monetary System. The two exceptions were the Italian lira which showed a stronger tendency and remained the most improved currency and the French franc which continued to lose ground.

DOLLAR — trade weighted index (Bank of England) rose to 114.5 from 114.4. The dollar rose to DM 2.5205 against the D-mark up from Wednesday's close of DM 2.5060. Similarly against the Swiss franc it rose to SwFr 2.1875 from SwFr 2.1800 and FFr 6.0050 from FFr 5.9740. It was weaker against the Japanese yen however, closing at Y239.90 from Y240.80.

STERLING — trade weighted index (Bank of England) fell to 90.7 from 91.0, having stood at 90.9 at noon and in the morning. Sterling was fairly steady for most of the morning but started to fall away during the afternoon against the dollar. It opened at $1.8050 and was quoted around this level at noon but had fallen to $1.7950 by 3 pm and touched a low of $1.7920 before recovering to close at $1.7975-1.7985, a fall of 80 points from Wednesday. It finished at DM 4.5350 against the D-mark from DM 4.53 but eased against the Swiss franc to SwFr 3.9350 from SwFr 3.9400. It was unchanged against the French franc at FFr 10.7950.

D-MARK — No longer strongest member of the European Monetary System, having been superceded at the end of last week by the Italian lira. The D-mark remains close to a five-year low against the dollar as U.S. interest rates remain firm. The German currency has also been depressed by a widening current account deficit and continued tension in Poland—The dollar was fixed higher against the D-mark in Frankfurt yesterday, rising to DM 2.5125 from DM 2.5060 on Wednesday. There was no intervention at the fixing by the Bundesbank reflecting the low level of business in comparison with the last few days. It might have been in the open market from time to time however but only on a limited scale. Elsewhere sterling was unchanged at DM 4.5350 while the Swiss franc improved slightly to DM 1.1520 from DM 1.1495. The dollar closed at DM 2.5250 slightly down from its best level of the day.

FRENCH FRANC — Trading around the middle of the EMS but showing a slightly weaker tendency against the D-mark recently reflecting to some extent an easing of French domestic rates. The franc is also trading around its lowest level for over 20 years against the dollar as U.S. rates remain high —The French franc was weaker at yesterday's fixing in Paris. The D-mark rose to FFr 2.3870 from FFr 2.3846 and the Dutch guilder was higher at FFr 2.1500 compared with FFr 2.1475. The dollar rose to a record FFr 6.0010 from FFr 5.9815 and sterling was fixed higher at FFr 10.8000 from FFr 10.7915.

THE POUND SPOT AND FORWARD

Aug 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7920-1.8090	1.7975-1.7985	0.82-0.92c dis	−5.81	2.20-2.30dis	−5.00
Canada	2.2240-2.2350	2.2265-2.2275	1.60-1.70c dis	−8.89	4.20-4.35dis	−7.68
Nethlnd.	5.02-5.06	5.02½-5.03½	¼c pm-¼ dis	—	1½-½ pm	0.69
Belgium	74.10-74.60	74.20-74.30	57-67c dis	−10.02	122-132 dis	−6.84
Denmark	14.25-14.31	14.26-14.27	3¼-4½ore dis	−3.26	10½-12¼ dis	−3.19
Ireland	1.2380-1.2455	1.2385-1.2415	0.24-0.38p dis	−3.00	0.81-0.95dis	−2.84
W. Ger.	4.52-4.56	4.53-4.54	½-¼pf pm	0.99	1⅞-1½ pm	1.43
Portugal	119.20-120.20	119.80-120.00	70-145c dis	−10.76	200-375 dis	−9.59
Spain	180.00-181.00	180.55-180.75	85-120c dis	−6.81	225-285 dis	−5.42
Italy	2,236-2,247	2,239-2,241	30¾-32¾lire dis	−16.74	86-89 dis	−15.62
Norway	11.16-11.22	11.17½-11.18½	½ore pm-½ dis	−0.13	1 pm-½ dis	0.09
France	10.78-10.84	10.79-10.80	5-6c dis	−6.11	16-17 dis	−6.11
Sweden	9.59-9.64	9.62½-9.63½	½-1½ore dis	−0.78	¾ pm-¼ dis	0.13
Japan	430-438	431-432	2.25-1.95y pm	5.84	7.15-6.85 pm	6.49
Austria	31.80-32.00	31.88-31.93	6-1gro pm	1.32	12-2 pm	0.88
Switz.	3.92½-3.96½	3.93-3.94	1¾-1¼c pm	4.56	4½-4 pm	4.32

Belgian rate is for convertible francs. Financial franc 80.35-80.45. Six-month forward dollar 4.15-4.25c dis, 12-month 6.25-6.40c dis.

THE DOLLAR SPOT AND FORWARD

Aug 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7920-1.8090	1.7975-1.7985	0.82-0.92c dis	−5.81	2.20-2.30dis	−5.00
Ireland†	1.4450-1.4560	1.4500-1.4520	0.30-0.40c dis	−2.90	0.75-0.85dis	−2.21
Canada	1.2348-1.2397	1.2385-1.2389	0.43-0.48c dis	−4.41	0.86-0.91dis	−2.86
Nethlnd.	2.7855-2.8055	2.7950-2.7980	1.39-1.29c pm	5.73	4.05-3.95 pm	5.71
Belgium	41.10-41.43	41.27-41.29	10-15c dis	−3.62	15-25 dis	−1.93
Denmark	7.8990-7.9650	7.9400-7.9450	1.80-1.65ore pm	2.53	3.65-3.15 pm	1.71
W. Ger.	2.5050-2.5280	2.5200-2.5210	1.45-1.40pf pm	6.81	4.04-3.98 pm	6.36
Portugal	66.30-66.85	66.60-66.80	10-40c dis	−4.49	30-120 dis	−4.49
Spain	100.13-100.55	100.39-100.44	20c pm-par	1.19	10pm-15dis	−0.10
Italy	1,243-1,247¼	1,245-1,246	11-12½ lire dis	−11.32	32-35 dis	−10.76
Norway	6.2060-6.2285	6.2150-6.2200	3.30-2.80ore pm	5.89	8.20-7.70 pm	5.11
France	5.9770-6.0300	6.0025-6.0075	0.20c pm-0.20 dis	—	1.30-1.90dis	−1.06
Sweden	5.3130-5.3500	5.3450-5.3500	1.85-1.65ore pm	3.93	6.30-6.10 pm	4.64
Japan	239.00-240.75	239.85-239.95	2.55-2.40y pm	12.38	7.20-7.05 pm	11.88
Austria	17.63-17.78	17.73½-17.74½	11-9½gro pm	6.93	28½-24½ pm	5.97
Switz.	2.1720-2.1970	2.1870-2.1880	1.94-1.84c pm	10.37	5.29-5.19 pm	9.58

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Aug. 6	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.7	−32.6
U.S. dollar	114.5	+7.3
Canadian dollar	86.9	−18.9
Austrian schilling	110.3	+21.9
Belgian franc	103.9	+8.6
Danish kroner	84.4	−12.1
Deutsche mark	115.5	+37.4
Swiss franc	133.3	+80.7
Guilder	107.1	+14.5
French franc	81.5	−12.1
Lira	57.4	−55.6
Yen	137.5	+31.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Aug. 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.617371	0.555613
U.S. $	14	1.11701	1.00316
Canadian $	20.54	1.38755	1.24773
Austria Sch.	6¾	19.6560	17.6957
Belgian F.	13	45.9259	41.2399
Danish K.	11	8.81321	7.92646
D mark	7½	2.79923	2.51793
Guilder	9	3.11143	2.79631
French Fr.	9½	6.68140	5.99889
Lira	19	1388.72	1247.58
Yen	6¼	268.082	242.062
Norwgn. Kr.	9	6.92858	6.23062
Spanish Pts.	8	111.701	100.436
Swedish Kr.	12	5.95715	5.35530
Swiss Fr.	5	2.43396	2.18789
Greek Dr'ch.	20½	—	61.4084

OTHER CURRENCIES

Aug. 6	£	$		£ Note Rates
Argentina Peso	8877-8897†	4941-4961†	Austria	31.55-31.90
Australia Dollar	1.5910-1.5950	0.8845-0.8850	Belgium	79.70-80.50
Brazil Cruzeiro	177.0-178.0	98.62-99.11	Denmark	14.20-14.35
Finland Markka	8.315-8.323	4.6500-4.6520	France	10.74-10.84
Greek Drachma	108.828-111.853	61.35-61.55	Germany	4.51½-4.54½
Hong Kong Dollar	10.651-10.661	5.9290-5.9340	Italy	2205-2260
Iran Rial	149.20*	82.50*	Japan	432-436
Kuwait Dinar (KD)	0.509-0.515	0.2837-0.2840	Netherlands	5.02-5.06
Luxembourg Fr.	74.20-74.30	41.27-41.29	Norway	11.14-11.26
Malaysia Dollar	4.2620-4.2720	2.3725-2.3755	Portugal	118-126
New Zealand Dlr.	2.2005-2.2055	1.2235-1.2245	Spain	176¼-184½
Saudi Arab. Riyal	6.14-6.20	3.4125-3.4155	Sweden	9.56-9.66
Singapore Dollar	3.9025-3.9125	2.1725-2.1755	Switzerland	3.92-3.96
Sth. African Rand	1.7235-1.7245	0.9585-0.9595	United States	1.79¼-1.81¼
U.A.E. Dirham	6.60-6.66	3.6715-3.6745	Yugoslavia	73-77

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,308-13,348 and for the dollar 7,400-7,450. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.2588	+1.13	+1.29	±1.5361
Danish Krone	7.91917	7.93359	+0.18	+0.34	±1.6413
German D-Mark	2.54502	2.51899	−1.02	−0.86	±1.1386
French Franc	5.99526	6.00851	+0.22	+0.38	±1.3638
Dutch Guilder	2.81318	2.79727	−0.57	−0.41	±1.5159
Irish Punt	0.685145	0.689443	+0.63	+0.79	±1.6688
Italian Lira	1262.92	1244.26	−1.48	−1.48	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Aug. 6	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.798	4.535	431.5	10.795	3.935	5.030	2240.	2.227	74.25
U.S. Dollar	0.556	1.	2.522	240.0	6.004	2.189	2.798	1246.	1.239	41.30
Deutschemark	0.221	0.396	1.	95.15	2.380	0.868	1.109	493.9	0.491	16.37
Japanese Yen 1,000	2.317	4.167	10.51	1000.	25.02	9.119	11.66	5191.	5.161	172.1
French Franc 10	0.926	1.666	4.201	399.7	10.	3.645	4.660	2075.	2.063	68.78
Swiss Franc	0.254	0.457	1.152	109.7	2.743	1.	1.278	569.3	0.566	18.87
Dutch Guilder	0.199	0.357	0.902	85.78	2.146	0.782	1.	445.3	0.443	14.76
Italian Lira 1,000	0.446	0.803	2.025	192.6	4.819	1.757	2.246	1000.	0.994	33.15
Canadian Dollar	0.449	0.807	2.036	193.8	4.847	1.767	2.259	1006.	1.	33.34
Belgian Franc 100	1.347	2.422	6.108	581.1	14.54	5.300	6.774	3017.	2.999	100

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 6)

3 months U.S. dollars		6 months U.S. dollars	
bid 19 1/8	offer 19 1/4	bid 19 1/16	offer 19 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Aug. 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	11⅞-12⅛	18¾-19	21-23	13⅜-13⅝	5½-6½	11⅞-12	17½-18½	19-22	17-19	6¼-6¾
7 days' notice	12⅛-12¾	18⅞-19⅛	21-23	13-13¼	4½-5	12-12⅛	17½-18½	29½-33½	25-31½	6¾-7
Month	13⅝-13¾	19-19¼	22-22⅝	13⅛-13 5/16	8½-8⅞	12¼-12⅜	19-19¾	30-31½	25½-28	7-7¼
Three months	14¼-14 7/16	19-19¼	21½-21⅞	13 5/16-13 7/16	9¼-9⅜	12⅛-12⅝	19¾-20½	30-31½	22-23¼	7¼-7½
Six months	14¼-14 7/16	19-19¼	20⅞-21¼	12¾-12⅞	9¼-9⅞	12 5/16-12 7/16	19¾-20½	30-31	20⅝-21⅝	7⅜-7⅝
One Year	14⅜-14 9/16	18-18¼	19⅞-20¼	12¾-12⅞	9 5/16-9 9/16	12 7/16-12 9/16	19¾-20½	28½-29½	18¾-19½	8-8¼

SDR linked deposits: one-month 15 11/16-16 3/16 per cent; three-months 15 15/16-16 5/16 per cent; six-months 15 15/16-16 5/16 per cent; one-year 15½-15⅞ per cent.

ECU linked deposits: one-month 15¾-16⅛ per cent; three-months 16⅛-16⅝ per cent; six-months 16⅛-16⅝ per cent; one-year 15 13/16-16 3/16 per cent.

Asian $ (closing rates in Singapore): one-month 19⅛-19¼ per cent; three-months 19 1/16-19 3/16 per cent; six-months 18⅞-19 per cent; one-year 18⅛-18¼ per cent. Long-term Eurodollar two-years 17-17¼ per cent; three-years 16⅞-17⅛ per cent; four-years 16⅝-16⅞ per cent; five-years 16½-16¾ per cent; nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.55-18.65 per cent; three-months 18.45-18.55 per cent; six-months 18.30-18.40 per cent; one-year 17.55-17.65 per cent.

MONEY MARKETS

Small shortage

Bank of England Minimum Lending Rate 12 per cent (since March 19 1981)

The unwinding of a previous sale and repurchase agreement involving a moderate amount of bills was only partly offset by a small excess of Government disbursements over revenue transfers to the Exchequer in the London money market yesterday. The Bank of England gave assistance by arranging a further sale and repurchase agreement with the discount houses on a small scale. The agreement unwinds on August 12 and the rate on the mixed eligible bills was between 12 per cent and 12⅛ per cent.

Short term rates were slightly easier where changed with one-week money in the interbank market at 12⅛-12¼ per cent from 12-12⅛ per cent. Call money opened at 11⅝-11⅞ per cent and rose on the forecast to 11½-12 per cent. Most of the day's business was seen at 11⅞-12⅛ per cent but during the afternoon rates fell away with small amounts traded as low as 3 per cent.

Buying rates for three-month eligible bank bills were quoted at 13⅜-13⅛ per cent compared with 13 7/16-13⅛ per cent and the rate on three-month Treasury bills stood at 13 15/16-13 13/16 per cent against 13⅞-13 13/16 per cent.

In New York the Federal Reserve Bank arranged $1bn of customer repurchase agreements. Federal funds at that time were quoted around 19 per cent.

In Paris the Bank of France announced that it would buy first category paper from the market on August 10. The last paper transaction commanded a rate of 17⅞ per cent. On the same day the Bank will auction some FFr 5bn of Treasury bills split evenly into three- and six-month maturities. In the money market call money remained at 17⅞ per cent while longer term rates were one-eighth of a point firmer.

In Frankfurt call money was quoted at 12 per cent compared with 12.05 per cent on Wednesday. The authorities announced that the special Lombard facility would remain open today at 12 per cent.

GOLD

Slight rise

Gold rose $3 an ounce in the London bullion market yesterday to close at $394½-396½. The metal opened at $394-396 and was fixed during the morning at $395.00 and $393.25 during the afternoon. Trading took place in quite a narrow band, reflecting the general lack of interest in gold at the moment because of the high level of the dollar and U.S. interest rates.

In Paris the 12½ kilo bar was fixed at FFr 88,900 per kilo ($460.76 per ounce) in the afternoon compared with FFr 88,750 ($461.31) in the morning and FFr 88,000 ($457.59) on Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 31,990 per kilo ($396.47 per ounce) against DM 31,735 ($393.97) previously and closed at $392½-394 from $391-393.

In Zurich gold finished at $392-395 per ounce against $391-$394 on Wednesday.

	Aug. 6		Aug. 5	
Gold Bullion (fine ounce)				
Close	$394½-396½	(£219¼-220¼)	$391½-395½	(£216¼-217¼)
Opening	$394-396	(£218¼-219¼)	$391½-393½	(£216-217)
Morning fixing	$395	(£218.776)	$392.60	(£216.266)
Afternoon fixing	$393.25	(£218.922)	$392.40	(£217.336)
Gold Coins				
Krugerrand	$406½-407½	(£226-226½)	$405-406	(£224¼-224¼)
1/2 Krugerrand	$209¼-210¼	(£116¼-116¾)	$208¼-209¼	(£115¼-115¾)
1/4 Krugerrand	$106-107	(£59-59½)	$106-107	(£58¾-59¼)
1/10 Krugerrand	$43½-44⅛	(£24¼-24¾)	$43¼-44¼	(£24-24½)
Mapleleaf	$403-406	(£224-225¾)	$401-404	(£222-223¾)
New Sovereigns	$98¼-99	(£54½-55)	$98-98¾	(£54¼-54¾)
King Sovereigns	$111-113	(£61½-62½)	$110-112	(£60½-61½)
Victoria Sovs.	$111-113	(£61½-62½)	$110-112	(£60½-61½)
French 20s	$114-119	(£63¼-65)	$113-119	(£62½-65¼)
50 pesos Mexico	$490-495	(£252½-274)	$488-491	(£270¼-271¾)
100 Cor. Austria	$380-384	(£211¼-213½)	$378-382	(£209¼-211½)
$20 Eagles	$543-548	(£302-304¾)	$543-548	(£300½-303½)

LONDON MONEY RATES

Aug. 6 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ‡	Eligible Bank Bills ‡	Fine Trade Bills ‡
Overnight	—	5-12⅛	11¾-12	—	—	11⅛-12	11½-12⅛	—	—	—
2 days notice	—	—	12⅝-12¾	—	—	12⅝-12¾	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¼-12½	13	—	12¾	—	12-12⅛	—	—	—
One month	13⅞-13¾	13½-13⅝	13⅝	14½-14¼	13¾	13⅝-13⅞	13	13¼-13⅜	13 7/16	14 1/16
Two months	14¼-13⅞	13½-14⅛	—	14⅝-14¼	14¼	14⅛	13⅝	13½	13 11/16-13¾	14⅝
Three months	14⅛-13⅞	14⅛-14⅛	14⅝	14⅝-14¼	14⅛	14⅝	13⅝	13 9/16-13½	13¾-13⅞	14⅝
Six months	14⅜-14¼	14⅛-14½	14½	13⅝-13⅜	14⅝	—	—	—	13½-13⅝	14¼
Nine months	14⅜-14¼	14⅛-14½	—	14⅜-14⅜	14⅝	—	—	—	—	—
One year	14⅝-14¼	14 1/16-14 7/16	14½	14⅝-14¼	14⅝	—	—	—	—	—
Two years	—	—	14¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three-years 14⅞ per cent; four-years 15 per cent; five-years 15 per cent. ‡Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 11/16 per cent; four-months trade bills 14⅛ per cent.

Approximate selling rate for one-month Treasury bills 13⅛-13 3/16 per cent; two-months 13 13/16-13 23/32 per cent; three-months 13 15/16-13 23/32 per cent. Approximate selling rate for one-month bank bills 13⅝ per cent two-months 13 13/16-13⅝ per cent; three-months 13⅝-13⅞ per cent; one-month trade bills 14 7/16 per cent; two-months 14⅛ per cent and three-months 14⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association). 13½ per cent from August 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 13.8014 per cent.

MONEY RATES

NEW YORK	
Prime rate	20½
Fed. funds	18⅞-19⅛
Treasury bills (13-week)	16.29
Treasury bills (26-week)	15.27
GERMANY	
Special Lombard	12.0
Overnight rate	12.0
One month	12.75
Three months	12.925
Six months	13.0
FRANCE	
Intervention rate	17.125
Overnight rate	17.5
One month	17.125
Three months	17.125
Six months	16.825
JAPAN	
Discount rate	5.25
Call (unconditional)	7.3125
Bill discount (three-month)	7.53125

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 5, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.08
Albania	Lek	5.5925
Algeria	Dinar	4.1875
Andorra	Fr. Franc	5.9785
	Sp. Peseta	100.15
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Peso (c) (4)	4909.00
	Peso (F) (5)	7125.00
Australia	Dollar	0.8876
Austria	Schilling	17.6345
Azores	Port. Escudo	66.50
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3759
Balearic Is.	Sp. Peseta	100.15
Bangladesh	Taka	15.8971
Barbados	Dollar	2.01
Belgium	Franc (C)	41.06
	Franc (F)	44.30
Belize	Dollar	2.00
Benin	C.F.A. Franc	298.925
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.08
Bolivia	Peso	24.75
Botswana	Pula	0.9048
Brazil	Cruzeiro	94.62
Brunei	Dollar	2.1676
Bulgaria	Lev	0.94
Burma	Kyat	7.3948
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	298.925
Canada	Dollar	1.2427
Canary Is.	Sp. Peseta	100.15
Cape Verde	Escudo	36.51
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	298.925
Chad	C.F.A. Franc	298.925
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.806
Colombia	Peso (O)	54.77
Comoros	C.F.A. Franc	298.925
Congo P'ple.Rep.of	C.F.A. Franc	298.925
Costa Rica	Colon (O)	8.60
	Colon	20.03
Cuba	Peso	0.7313
Cyprus	Pound*	2.1478
Czechoslovakia	Koruna (O)	5.80
Denmark	Krone	7.898
Djibouti Rp. of	Franc	178.50
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	28.435
Egypt	Pound* (3)	1.4493
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	200.30
Ethiopia	Birr (O)	2.0432
Faeroe Is.	Dan. Krone	7.898
Falkland Is.	Pound*	1.606
Fiji	Dollar	0.9039
Finland	Markka	4.631
France	Franc	5.9785
Fr. C'ty in Af.	C.F.A. Franc	298.925
Fr. Guiana	Franc	5.9785
Fr. Pac. Is.	C.F.P. Franc	105.205
Gabon	C.F.A. Franc	298.925
Gambia	Dalasi	2.2148
Germany (E)	Ostmark (O)	2.5088
Germany (W)	Mark	2.5088
Ghana	Cedi	2.75
Gibraltar	Pound*	1.806
Greece	Drachma	61.30
Greenland	Dan. Krone	7.898
Grenada	E. Caribbean $	2.7025
Guadaloupe	Franc	5.9785
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	39.407
Guinea Rep.	Syli	22.1085
Guyana	Dollar	3.0306
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.92
Hungary	Forint	35.44
Iceland	Krona	7.173
India	Rupee	9.08
Indonesia	Rupiah	630.00
Iran	Rial (O)	81.94
Iraq	Dinar	0.2999
Irish Rep.	Punt*	1.455
Israel	Shekel	11.75
Italy	Lira	1243.50
Ivory Coast	C.F.A. Franc	298.925
Jamaica	Dollar	1.7834
Japan	Yen	240.30
Jordan	Dinar	0.3375
Kampuchea	Riel	n.a.
Kenya	Shilling	9.0905
Kiribati	Aust. Dollar	0.8876
Korea (Nth)	Won	0.94
Korea (Sth)	Won	685.00
Kuwait	Dinar	0.2856
Lao P'pls D. Rep.	Kip	10.00
Lebanon	Pound	4.426
Lesotho	Loti	0.9519
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.188
Luxembourg	Lux Franc	41.08
Macao	Pataca	6.0135
Madagascar D. R.	Franc	298.925
Madeira	Port. Escudo	66.50
Malawi	Kwacha	0.9469
Malaysia	Ringgit	2.375
Maldive Is.	Rupee	3.93
Mali Rp.	Franc	597.85
Malta	Pound*	2.4112
Martinique	Franc	5.9785
Mauritania	Ouguiya	59.785
Mauritius	Rupee	8.9561
Mexico	Peso	24.66
Miquelon	Fr. Franc	5.9785
Monaco	Fr. Franc	5.9785
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	5.5823
Mozambique	Metica	30.3433
Namibia	S.A. Rand	0.9519
Nauru Is.	Aust. Dollar	0.8876
Nepal	Rupee	12.00
Netherlands	Guilder	2.7857
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.2232
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	298.925
Nigeria	Naira (O)	9240.6
Norway	Krone	6.30
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.84
Panama	Balboa	1.00
Papua N.G.	Kina	0.70
Paraguay	Guarani	126.00
Peru	Sol	429.81
Philippines	Peso	7.9495
Pitcairn Is.	N.Z. Dollar	1.2232
Poland	Zloty (O)	31.00
Portugal	Escudo	66.50
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	5.9785
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	1.806
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	5.9785
St. Vincent	E. Caribbean $	2.7025
Samoa (Western)	Tala	1.0936
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1243.50
Sao Tome & Principe DR	Dobra	40.5265
Saudi Arabia	Riyal	3.4135
Senegal	C.F.A. Franc	298.925
Seychelles	Rupee	7.4512
Sierra Leone	Leone	1.2242
Singapore	Dollar	2.1676
Solomon Is.	Dollar	0.9013
Somali Rep.	Shilling (6)	6.35
	Shilling (7)	12.46
South Africa	Rand	0.9519
Spain	Peseta	100.15
Span. Ports in N. Africa	Sp. Peseta	100.15
Sri Lanka	Rupee	19.3522
Sudan Rep.	Pound* (2)	2.00
Sudan Rep.	Pound* (1)	1.25
Surinam	Guilder	1.785
Swaziland	Lilangeni	0.9519
Sweden	Krone	5.317
Switzerland	Franc	2.188
Syria	Pound	3.9262
Taiwan	Dollar (O)	36.30
Tanzania	Shilling	8.3887
Thailand	Baht	23.00
Togo Rep.	C.F.A. Franc	298.925
Tonga Is.	Pa'anga	0.8876
Trinidad & Tobago	Dollar	2.4063
Tunisia	Dinar	0.5421
Turkey	Lira	117.16
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8876
Uganda	Shilling	78.00
Utd. A'b. Emir.	Dirham	3.6731
Utd. Kingdom	Pound Sterling*	1.806
Upper Volta	C.F.A. Franc	298.925
Uruguay	Peso	10.929
U.S.S.R.	Rouble	0.7957
Vanuatu	Vatu	96.6222
Vanuatu	Aust. Dollar	0.8876
Vatican	It. Lira	1243.50
Venezuela	Bolivar	4.2937
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.57
Yemen PDR	Dinar	0.3415
Yugoslavia	Dinar	38.8912
Zaire Rp.	Zaire	5.6864
Zambia	Kwacha	0.9173
Zimbabwe	Dollar	0.7194

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Argentina: June 22 Two Tier Policy Adopted. Commercial: Fixed by Central Bank of Imports and Exports.
(5) Argentina: Financial allowed a clean float. (6) Somali: Parallel exchange rates introduced July 1—for essential imports.
(7) Somali: Exports and Non-Essential Imports and Transfers.

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Bank	12 %
American Express Bk.	12 %
Amro Bank	12 %
Henry Ansbacher	12 %
AP Bank Ltd.	12 %
■ Arbuthnot Latham	12 %
Associates Cap. Corp.	12 %
Banco de Bilbao	12 %
BCCI	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½ %
Barclays Bank	12 %
Beneficial Trust Ltd.	13 %
Bremar Holdings Ltd.	13 %
Bristol & West Invests.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12½ %
Canada Perm't Trust	13 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
E. T. Trust Limited	12 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
Robert Fraser	12 %
Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
Heritable & Gen. Trust	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Hongkong & Shanghai	12 %
Knowsley & Co. Ltd.	12½ %
Langris Trust Ltd.	12 %
Lloyds Bank	12 %
Mallinhall Limited	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Ryl. Bk. Canada (Ldn.)	12 %
Slavenburg's Bank	12 %
E. S. Schwab	13 %
Standard Chartered	‖12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
TCB Ltd.	12 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½ %
Williams & Glyn's	12 %
Wintrust Secs. Ltd.	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10%, and over £50,000 11%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9¼%.
‖ 21-day deposits over £1,000 10½%.

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

NIPPON FIRE & MARINE INSURANCE COMPANY, LIMITED

EDR holders are informed that Nippon Fire & Marine Insurance Company, Limited has paid a dividend to holders of record March 31 1981. The cash dividend payable is Yen 5.50 per Common Stock of Yen 50.00 per share. Pursuant to Clause 8 of the Deposit Agreement the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 2 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

Arab Republic of Egypt	Finland	Republic of Korea
Australia	France	Romania
Belgium	Ireland	Singapore
Brazil	Italy	Spain
Canada	Malaysia	Sweden
Czechoslovakia	The Netherlands	Switzerland
Denmark	New Zealand	United Kingdom
Federal Republic of Germany	Norway	United States of America
		Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after October 31, 1981.

Amounts payable in respect of current dividends:

Coupon No. 2 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	US$23.21	US$19.73	US$18.57

Depositary: Citibank, N.A., 336 Strand, London WC2R 1HB
Agent: Citibank (Luxembourg) S.A., 16 Avenue Marie Therese
August 7, 1981.

DAMSON ROYALTY INVESTMENTS S.A.

société anonyme (in voluntary liquidation)
14, rue Aldringen, Luxembourg
R.C. Luxembourg B 17.193

NOTICE TO SHAREHOLDERS

At the extraordinary meeting held on 31st July 1981 all proposed resolutions were passed. Consequently the liquidator has given effect to the agreement regarding the sale of the Company's investments in its subsidiaries. Liquidation proceeds equal to 10.50 US$ per share shall be paid by bankers draft in US$ to all shareholders. Holders of bearer shares should deliver their share certificates to the paying agent, Banque Générale du Luxembourg, at its office at 14, rue Aldringen in Luxembourg.

THE LIQUIDATOR

QUEBEC URBAN COMMUNITY (Province of Québec, Canada)

U.S.$15,000,000 9¾% BONDS 1975/1992

On July 20, 1981 Bonds for the amount of U.S.$1,400,000 have been drawn in the presence of a Notary Public for redemption on September 15, 1981.

The following Bonds will be reimbursed coupon due on September 15, 1982 and following attached: 295 to 557 incl., 578 to 652 incl., 673 to 688 incl., 714 to 724 incl., 730 to 757 incl., 760, 766 to 851 incl., 859 and 860, 866 to 884 incl., 886 to 959 incl., 970 to 1271 incl., 1273 to 1373 incl., 1375 to 1454 incl., 14302 to 14643 incl.

Amount purchased on the market: U.S.$100,000.

Amount outstanding: U.S.$12,000,000.

Outstanding drawn Bonds: 1 to 5 incl., 11 to 13 incl., 24 to 26 incl., 55 and 56, 79, 81 to 87 incl., 115, 119, 14778 to 14780 incl., 14797 to 14847 incl., 14870 to 14880 incl., 14924, 14928 and 14929, 15963, 15965 and 15966, 15973 to 15977 incl., 15988 to 15990 incl.

The Fiscal Agent
KREDIETBANK S.A. LUXEMBOURGEOISE
Luxembourg, August 6, 1981.

NATIONAL COAL BOARD

U.S.$100,000,000
8% GUARANTEED BONDS 1987
U.S.$50,000,000
8¾% GUARANTEED BONDS 1988

Holders of the above bonds are advised that the Annual Report and Accounts for 1980/81 of the National Coal Board are available for inspection at the office of S. G. Warburg & Co. Ltd., 30, Gresham Street, London EC2P 2EB.

7th August, 1981.

PUBLIC NOTICES

THE BUCKINGHAMSHIRE COUNTY COUNCIL

Issued on 5th August, 1981 £5m Bills due 4th November, 1981. Tenders totalled £34m. The entire issue was made at 13⅝%. There are £6m other Bills outstanding.

ANNOUNCEMENTS

WYCOMBE ABBEY SCHOOL—Dr. Harry Judge and Sir Hector Laing have been elected Members of the Council of Wycombe Abbey School.

CLASSIFIED ADVERTISEMENT RATES

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Residential Property	5.50	17.50
Appointments	7.50	24.50
Business and Investment Opportunities	8.00	27.50
Personal	5.50	17.50
Motor Cars	5.50	17.50
Hotels and Travel	5.50	17.50
Contracts and Tenders	7.50	24.50
Book Publishers	—	net 10.00

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Financial Times, 10, Cannon Street, EC4P 4BY

Operating income declines at ITT

By Paul Betts in New York

INTERNATIONAL Telephone and Telegraph, the U.S. telecommunications equipment, industrial and consumer products group, yesterday reported a sharp increase in second-quarter net earnings. The main factor was substantially lower foreign currency translation losses compared to the same quarter last year.

But operating earnings for both the second quarter and the first half of this year were lower than in 1980 because of higher interest and material costs, the company said.

Net income in the second quarter totalled $136.1m, compared to $64.5m in the second quarter last year. But revenues were down by $100m to $5.8bn in the second quarter.

In the first half, net income was down from $411m last year to $327.1m. This did not includ a $17.8m charge for the settlement of the Hartford Fire Insurance Company tax case.

First-half revenues were flat at $11.4bn.

Mr Rand Araskog, ITT's chairman, said foreign currency translations distorted the company's results. "On an operational basis, the second half and the full year should produce higher operating earnings than those of 1980. However, at current rates the impact of currency translation is expected to have a significant effect on our reported results for the third and fourth quarters."

ITT said income from its telecommunications and electronics operations was $49m lower than in the first half of last year. This was because of a decline in business systems activity in Europe, lower receipts from Nigerian contracts, higher expenses and the lack of income from an Indonesian company sold late last year.

Higher traffic volume puts KLM back in the black

BY CHARLES BATCHELOR IN AMSTERDAM

KLM, the Dutch national airline, returned a profit for its first quarter ended June as a result of higher passenger and freight traffic and slower growth in costs.

Net profit for the quarter was Fl 20.9m ($7.5m) compared with a loss of Fl 12m in the opening period of its 1980-81 year. The result also represents a strong turnround from the Fl 65m net loss recorded in the normally poor final quarter of the year ended March 31.

At the operating level the recovery at KLM was more marked, with the profit at Fl 56.6m compared with a loss of Fl 3m last time, when most airlines were hard hit by rising fuel costs and falling passenger revenues.

KLM's overall passenger load factor for the quarter was 64.6 per cent compared with 58 per cent last year, with 11 per cent more passengers carried without any increase in the airline's capacity. Last year capacity expanded by 13 per cent while passenger growth was limited to 3 per cent. Freight carried was up by 12 per cent while the amount of mail carried rose by 14 per cent.

Revenues for the quarter were ahead by 19.5 per cent to Fl 1.11bn, with the 21 per cent increase in traffic revenues to Fl 933m accounting for most of the rise. Other income was up 14 per cent to Fl 182m. Operating costs rose by only 14 per cent to Fl 1.06bn, including depreciation.

The net profit was achieved after a reduction in the net interest bill from Fl 11.2m to Fl 9.3m and a Fl 200,000 loss from the sale of fixed assets compared with a Fl 500,000 profit last time.

The major influence, however, was an extraordinary deficit of Fl 26.2m, which came largely from a Fl 30.2m currency loss on long-term debt and accounts receivable. The effect of the stronger dollar was offset to a degree at the operating level by a Fl 8.9m currency profit on current assets and short-term debts, however.

Mr Sergio Orlandini, the chairman, told the shareholders' meeting yesterday that little value could be placed on forecasts for the rest of the year.

He had earlier forecast little change from last year when a net profit of Fl 11.1m was recorded and the dividend was passed for the second consecutive year.

Sharp growth at Citicorp Australia

By Our Sydney Correspondent

CITICORP AUSTRALIA, a subsidiary of the U.S. bank holding company, has surpassed expectations with a 132 per cent profit increase in the half-year ended June.

The bank lifted earnings from A$4.1m (U.S.$4.6m) to A$9.5m, cementing its return to strong profitability in the previous financial year when profit rose 153 per cent to A$11.26m. The latest result points to a record result in the latest full year.

Profit in the first quarter of the current year rose 30 per cent to A$4.1m. Pre-tax profit was also up 132 per cent from A$6.1m to A$14.1m.

No dividend will be paid but the increase in earnings lifted shareholders funds to A$170m.

Swiss Bank Corporation forecasts flat earnings

BY JOHN WICKS IN ZURICH

SWISS BANK Corporation, one of the top three Swiss banks, expects profits this year to be of the same order as 1980's net return of SwFr 260m ($120m).

In line with its two major rivals, Credit Suisse and the Union Bank of Switzerland, the bank has experienced satisfactory results during the opening six months. Deposits rose by a tenth and there has been an increase in loans.

Balance-sheet total expanded by 8 per cent between December 1980 and June 1981 to SwFr 81.6bn ($37.4bn) largely because of the strengthening of the dollar.

Deposits grew by 10.4 per cent to SwFr 49.1bn with the increase arising mainly from foreign branches. Demand and savings deposits showed a general decline, but favourable dollar interest rates led to a 26 per cent jump in time deposits.

Advances went up by 5 per cent to SwFr 41.2bn with Swiss and foreign branches contributing equally to the increase. Bills of exchange and money-market paper increased by 21 per cent helped by high activity in the bank's London and New York branches.

The bank has established Swiss Bank Corporation (Canada) in Toronto, with offices in Montreal and Calgary. This marks the first opening of a Canadian chartered bank by a Swiss institution.

The new bank has capital of C$30m (US$25m) and a staff of 130.

TXIA near to winning Continental Air Lines

By Our Financial Staff

TEXAS INTERNATIONAL Airlines' (TXIA) takeover bid for Continental Air Lines moved closer to success yesterday when the Civil Aeronautics Board CAB) approved the plan and sent it to President Ronald Reagan for final approval.

Presidential approval is required because an international route is involved. The CAB, in approving the bid, said that Texas would have to abandon its route from Dallas-Fort Worth to Mexico. The President has 60 days to make his decision.

At the same time, the CAB proposed an easing of share restrictions on Texas which would allow it to vote its holding of 48.5 per cent of Continental's equity on the proposal by Continental to set up an employees' ownership plan.

Texas had been prevented by the CAB from voting its Continental shares while the acquisition decision was pending.

But the CAB has now decided that Texas, a subsidiary of Texas Air, should be allowed to have more control over the stock to protect its interest while the President conducts his review.

It has proposed rules that would allow Texas to vote the stock but would prevent the airline from buying any more stock in Continental, comingling its assets with Continental assets or changing management operations of Continental.

Continental, which has persistently opposed the takeover, wants to issue 15m shares of new stock to allow its employees to take control of the company.

Recovery in fixed rate dollar bonds

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

FIXED RATE dollar Eurobonds recovered by about ½ point yesterday as nervousness over the U.S. Treasury financing programme in New York began to subside.

Dealers said trading was marked by both some professional short covering and demand from the Continent for recent high coupon issues. The recent 16 per cent bonds for Pacific Gas and Electric were quoted by Credit Suisse First Boston, the lead manager, last night at 100 midpoint, a full point above the issue price.

The Public Service Company of New Hampshire issue has been slightly less well received, however. Priced at 98¾ with the indicaeed 17 per cent coupon level, it was quoted late yesterday at around 97 bid.

Some sa btwsoisas

Investors have reacted a little cautiously to the issue despite its high coupon because of uncertainties surrounding the borrower's nuclear power programme.

Yamanouchi Pharmaceutical meanwhile is arranging a $40m, five-year convertible bond issue with a coupon of 5½ per cent and issue price of par through Nikko Securities and Goldman Sachs. The conversion premium is 5 to 6 per cent.

Prices of D-mark foreign bonds were about unchanged yesterday, but Swiss franc issues slipped by around ½ point in fa irly active trading. This followed news of a further increase in the Swiss inflation rate to 6.6 per cent in July, although bankers point out that demand for selected high quality names remains strong.

Securities sources in Tokyo meanwhile report that China plans to launch two Samurai bonds through private placement, although the long queue of borrowers in this market could delay the issues into next year.

One will be a Y5bn bond for Fujian Investment and Enterprise Corporation led by Bank of Tokyo and Sanyo Securities. The other will bea Y10bn issue through Nomura Securities for China International Trust and Investment Corporation.

Hoover hit by UK offshoot

BY OUR FINANCIAL STAFF

HOOVER, the worldwide manufacturer of household conseumer durables, suffered a significantly increased loss in the second quarter of the current year. At the halfway stage, it showed a net loss of $13.1m, or a loss of $1.06 a share, compared with a profit of $18.5m, or $1.52 last year.

But the company commented that excluding the effects of foreign currency translation and the cost of severance payments—both reflecting the fortunes of its 70 per cent owned UK subsidiary—it made an operating profit for the first half of 47 cents, a share, compared with $1.29 a year ago.

In the second quarter, the net loss was $10.3m, or a loss of 84 cents a share, against a profit of $11.2m, or 93 cents, in the comparble period. Sales for the quarter slipped from $194.6m to $183.4m. Again excluding currency and severance factors, operating income for the quarter was 2 cents a share against 41 cents.

Singapore bank lifts first-half profits

By Our Financial Staff

OVERSEAS UNION BANK, one of the top four banks in Singapore, reports a near two-thirds rise in profits for the first half of 1981.

Helped by improved results from a number of associate companies, the pre-tax earnings have risen to S$35.5m (US$ 16m) in the half-year from S$21.5m, an increase of just under 65 per cent.

At the after-tax level, profits are 45 per cent higher at S$28.6m. An interim dividend of 10 cents a share has been declared. For 1980 the bank made a single payment of 12.5 cents a share to shareholders.

Overseas Union Enterprise, a hotel company 47 per cent owned by OUB, saw first-half group pre-tax profits almost double to S$15.2m. Turnover rose 30 per cent to S$52.2m, and an interim dividend of 15 cents is to be paid, against 10 cents last year.

Overseas Union Trust, which is 50 per cent owned by OUB, increased pre-tax profits by 5.4 per cent to S$1.9m. The company, a finance group, has declared a 7.5 cents interim dividend.

● Boosted by a return to profits at its Far East-Levingston subsidiary, Singapore's government-controlled Keppel shipyard reports a rise of 62 per cent to S$39.5m in net attributable profits for the first half of 1981.

Keppel says its "better-than-expected" performance stems from the buoyancy of shipping and ship-repairing markets. Far East-Levingston turned a first-half loss last year of S$1.8m into profits of S$9.2m in the latest six months.

Keppel sees signs of a slowdown in activity over the rest of this year but believes that annual earnings will still top the S$75.5m achieved in 1980.

AMERICAN QUARTERLIES

DIGITAL EQUIPMENT

	1980-81 $	1979-80 $
Fourth quarter		
Revenue	[illegible]	[illegible]
Net profits	116.9m	82.9m
Net per share	2.19	1.73
Year		
Revenue	[illegible]	[illegible]
Net profits	343.3m	249.9m
Net per share	6.70	5.45

EMERSON ELECTRIC

	1980-81 $	1979-80 $
Third quarter		
Net profits	71.45m	67.95m
Net per share	1.11	[illegible]
Nine months		
Revenue	2.54bn	2.31bn
Net profits	208.4m	183.3m
Net per share	3.22	2.87

FLEMING COMPANIES

	1981 $	1980 $
Second quarter		
Net profits	5.31m	4.32m
Net per share	0.78	0.69
Six months		
Revenue	1.61bn	1.47bn
Net profits	11.31m	10.23m
Net per share	1.86	1.59

GENERAL PUBLIC UTILITIES

	1981 $	1980 $
Second quarter		
Revenue	476.2m	423.0m
Net per share	†0.04	†0.14
Six months		
Revenue	1.05bn	873.7m
Net per share	0.09	0.14

† Loss.

GREYHOUND

	1981 $	1980 $
Second quarter		
Revenue	1.17bn	1.13bn
Net profits	28.2m	23.48m
Net per share	0.63	0.53
Six months		
Revenue	2.23bn	2.24bn
Net profits	61.71m	41.71m
Net per share	1.38	0.94

HALLIBURTON

	1981 $	1980 $
Second quarter		
Net profits	166.7m	126m
Net per share	1.42	1.08
Six months		
Revenue	2.92bn	2.31bn
Net profits	298.7m	231.3m
Net per share	2.54	1.97

HARSCO

	1981 $	1980 $
Second quarter		
Revenue	305.1m	267.9m
Net profits	14.9m	12.4m
Net per share	0.76	0.62
Six months		
Revenue	539.1m	537.9m
Net profits	28.3m	24.3m
Net per share	1.45	1.21

WALTER E. HELLER

	1981 $	1980 $
Second quarter		
Revenue	217.5m	200.7m
Net per share	0.85	0.96
Six months		
Revenue	430.3m	384.8m
Net per share	1.77	1.78

INTERNATIONAL FLAVORS

	1981 $	1980 $
Second quarter		
Revenue	120.2m	123.4m
Net profits	15.06m	19.01m
Net per share	0.42	0.52
Six months		
Revenue	243.7m	245.2m
Net profits	30.22m	37.26m
Net per share	0.83	1.02

INTERNORTH

	1981 $	1980 $
Second quarter		
Revenue	737.9m	603.9m
Net profits	39.85m	45.35m
Net per share	0.83	0.95
Six months		
Revenue	1.86bn	1.54bn
Net profits	136.8m	154.5m
Net per share	3.50	3.44

MORTON-NORWICH PRODUCTS

	1980-81 $	1979-80 $
Fourth quarter		
Revenue	252.6m	211.3m
Net profits	12.24m	7.55m
Net per share	0.90	0.56
Year		
Revenue	957.6m	846.6m
Net profits	53.01m	47.73m
Net per share	3.90	3.52

NIAGARA MOHAWK POWER

	1981 $	1980 $
Second quarter		
Revenue	528.2m	423.2m
Net per share	0.61	0.54
12 months		
Revenue	2bn	1.67bn
Net per share	2.04	1.85

OGDEN

	1981 $	1980 $
Second quarter		
Revenue	578m	523.4m
Net profits	16.3m	14.3m
Net per share	1.25	1.12
Six months		
Revenue	1.14bn	1.11bn
Net profits	32.7m	29.5m
Net per share	2.54	2.23

OGILVY AND MATHER INTERNATIONAL

	1981 $	1980 $
Second quarter		
Revenue	75.36m	66.69m
Net profits	4.2m	5.63m
Net per share	0.99	1.36
Six months		
Revenue	141.7m	134.5m
Net profits	6.33m	6.85m
Net per share	1.49	1.65

OUTBOARD MARINE

	1981 $	1980 $
Third quarter		
Revenue	245.4m	194.5m
Net profits	13.97m	7.45m
Net per share	1.67	0.89
Nine months		
Revenue	581.7m	506m
Net profits	17.67m	†4.02m
Net per share	2.11	†0.48

† Loss

OVERSEAS SHIPHOLDING GROUP

	1981 $	1980 $
Second quarter		
Revenue	89.3m	74.9m
Net profits	25.19m	19.19m
Net per share	0.97	0.74
Six months		
Revenue	172.3m	149.8m
Net profits	51.69m	37.97m
Net per share	2.00	1.47

PITTSTON

	1981 $	1980 $
Second quarter		
Revenue	328m	452.7m
Net profits	†27.41m	24.82m
Net per share	†0.72	0.66
Six months		
Revenue	1.11bn	1.06bn
Net profits	†10.68m	45.42m
Net per share	†0.28	1.21

† Loss

RAMADA INNS

	1981 $	1980 $
Second quarter		
Revenue	107.7m	96m
Net profits	6.53m	1.64m
Net per share	0.24	0.06
Six months		
Revenue	204.2m	165.1m
Net profits	6.97m	2.75m
Net per share	0.26	0.01

RELIANCE GROUP

	1981 $	1980 $
Second quarter		
Revenue	393.5m	333.0m
Net profits	8.92m	15.08m
Net per share	1.13	2.07
Six months		
Revenue	717.7m	663.7m
Net profits	26.8m	37.76m
Net per share	3.37	4.82

REVERE COPPER & BRASS

	1981 $	1980 $
Second quarter		
Revenue	133.89m	132.52m
Net profits	3.71m	4.61m
Net per share	0.64	0.81
Six months		
Revenue	380.16m	398.05m
Net profits	9.97m	10.57m
Net per share	1.74	1.85

ST PAUL COMPANIES

	1981 $	1980 $
Second quarter		
Revenue	456.8m	465.3m
Net profits	45.8m	35.7m
Net per share	2.19	1.70
Six months		
Revenue	970.5m	904.5m
Net profits	89.5m	71.9m
Net per share	4.27	3.43

SUPERIOR OIL

	1981 $	1980 $
Second quarter		
Revenue	504.2m	350.6m
Net profits	93.29m	68.64m
Net per share	0.78	0.54
Six months		
Revenue	997.1m	680.9m
Net profits	207.3m	159.2m
Net per share	1.63	1.26

TRANSCO COMPANIES

	1981 $	1980 $
Second quarter		
Revenue	832.0m	601.3m
Net profits	33.02m	29.17m
Net per share	1.28	1.15
Six months		
Revenue	1.6bn	1.19bn
Net profits	66.35m	58.45m
Net per share	2.57	2.34

ZAPATA

	1980-81 $	1979-80 $
Third quarter		
Revenue	141.8m	97.2m
Net profits	21.58m	10.38m
Net per share	1.01	0.50
Nine months		
Revenue	396.9m	279.8m
Net profits	61.51m	26.72m
Net per share	2.87	1.47

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday August 13. Closing prices on August 6

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Am. Air. 15¾ 86 (WW)	55	†95½	96¼	0	−0⅛	16.50
Amoco 13¾ 88	75	89⅞	90⅜	0	−0⅛	15.74
CIBC 14½ 84	185	95¾	96¼	0	−0⅞	16.36
CIBC 15¼ 86	75	98⅛	98⅝	+0⅛	−0⅞	15.72
CNA 15¼ 96	75	94½	95	0	+2	16.18
CNE 12⅜ 91	100	83⅜	83⅞	+0⅛	−1⅛	16.19
Citicorp Int. Fin. 15 86	150	96⅛	96⅝	+0⅛	−0⅞	16.11
Citicorp O/S 15½ 84	175	98⅞	99⅜	+0⅛	−0⅛	15.84
Dupont Canada 13½ 91	65	89¾	90¼	−0⅛	−1	15.53
EEC 14⅜ 93	65	93¾	94¼	+0½	−0½	15.87
EIB 12¾ 89	75	85⅛	85⅞	0	−0⅞	16.16
Eldorado 13¼ 86	50	91	91½	0	−0⅛	16.00
Elec. de France 13 88	125	87⅝	88⅛	0	−0⅜	16.10
Export Dv. Cpn. 9½ 86	150	80⅛	80⅝	+0⅛	−0⅜	15.94
Fed Bs. D. 12¾ 85 (N)	50	88¾	89¼	+0⅜	−0⅜	15.93
Fed. Bs. D. 15¾ 84 (J)	40	99	99½	−0⅛	−0⅛	16.03
Fin. Exp. Credit 10½ 85	50	83⅝	84⅛	+0⅛	−0⅛	16.39
Finland, Rep. of 9½ 86	100	78½	79	+0⅛	−0⅛	16.36
Ford Cr. O/S Fin. 16 84	150	99¾	100¼	+0½	+0⅛	15.86
Ford Cr. O/S Fin. 16 85	150	96¾	97¼	+0⅛	−0⅛	17.07
Gaz de France 13½ 86	80	91½	92	+0⅛	−0⅛	16.16
GMAC O/S Fin. 12⅞ 88	100	88⅛	88⅝	+0⅛	−0⅛	15.81
GMAC O/S Fin. 14⅜ 87	100	94⅛	94⅝	+0⅛	−0½	16.28
Gen. Mts. O/S 11¾ 87	100	84½	85	+0⅛	−0⅛	15.76
Genstar 14¾ 91	50	96	96½	+0⅛	−0⅛	15.48
GTE Fin. 13⅜ 86 (WW)	50	93	93½	+0⅛	−2⅛	15.90
Hiram Walker 16 86	50	102⅜	102⅞	+0⅜	−0⅛	15.14
IBM Wld. Trade 12½ 88	200	91⅞	92⅜	+0⅜	−1⅛	14.40
IBM Wld. Trade 14⅜ 84	100	101	101½	+0⅜	0	14.14
Nat. Bk. Canada 15¼ 84	40	97⅜	97⅞	+0⅛	−0⅜	16.41
Newfoundland 13½ 90	60	88¾	89¼	+0⅜	−0⅞	15.89
Nova Scotia 15 91	75	95	95½	0	−0⅛	15.97
Ontario Hydro 13½ 91	100	89½	90	0	−1⅛	15.59
Queb Hy. 13 91 (WW)	100	84⅛	84⅝	+0⅛	−0⅛	16.26
Royal Bk. Canada 14 86	100	95⅝	96⅛	+0⅛	−1	15.23
SNCF 13 91	75	87½	88	+0⅛	−0⅛	15.49
Sth. California 14 87	50	94⅞	95⅜	+0⅛	−0⅛	15.29
Sth. California 14¾ 88	50	96⅝	97⅛	+0⅛	−0½	15.50
Sven Handlsbk. 13¾ 88	45	90⅜	90⅞	+0⅛	−0⅛	16.08
Swed Ex. Credit 13 86	75	89⅛	89⅝	0	−0⅛	15.43
Swed. Ex. Cred. 15¾ 86	50	98¾	99¼	+0⅛	0	16.01
Toronto-Dom. Bk. 14 84	50	94⅝	95⅛	0	−0⅛	16.40
Tribune O/S Fin. 14 86	50	92⅞	93⅜	+0⅛	−0⅛	16.24
Wells Fargo Int. 15½ 84	50	99⅝	100⅛	+0⅛	−0⅛	15.50
World Bank 10½ 87	300	79⅜	79⅞	−0⅛	−0½	15.81
World Bank 14½ 86	500	94⅛	94⅝	0	−0⅞	16.09

Average price changes... On day +0⅛ on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	97¾	98¼	0	−0⅛	10.36
Austria, Rep. of 8¾ 92	150	87¼	87¾	0	−0⅛	10.17
CECA 7⅞ 92	150	85⅜	85⅞	0	−0⅛	10.02
CECA 10 91	120	99	99½	+0⅛	+0⅞	10.09
CII-Honeywell 8½ 90	125	87	87½	−0⅛	−0⅛	10.62
Council of Europe 10 91	100	99½	100	0	+0½	10.05
EIB 8½ 90	200	88½	89¼	0	−0⅛	10.43
EIB 10½ 91	200	99¾	100½	+0⅛	0	10.46
ESCOM 9¼ 87	100	90½	91¼	+0⅛	0	11.35
Finland, Rep. of 10 89	100	96⅝	97⅜	−0⅛	+0½	10.57
Iberduero SA 9 90	100	91¼	92	+0⅛	+2	10.43
Ind. Bk. Finland 8½ 90	50	88¾	89½	0	+0⅛	10.37
Int.-Am. Dv. Bk. 10 91	100	97¼	98	−0⅛	−0⅛	10.38
Japan Air Lines 8⅛ 87	100	91⅞	92⅝	0	0	9.82
Japan Dev. Bk. 7¾ 87	100	88¾	89½	+0⅛	0	10.20
Kobe City of 8 90	100	88⅞	89⅝	+0⅛	−0⅛	9.93
Midland Int. Fin. 8½ 90	180	89¾	90½	−0⅛	−0⅛	10.19
Nuclobras 9¾ 83	100	86½	87¼	0	−1⅛	12.67
OKB 8¼ 92	150	85½	86½	0	0	10.46
Oslo, City of 8¾ 90	80	92¼	93	−0⅛	0	10.06
Venezuela, R. of 9¾ 90	150	93½	94¼	−0⅛	−0⅛	10.82
World Bank 8 90	700	85⅝	86⅜	+0⅛	−0⅛	10.49
World Bank 10 86	150	100	100¾	+0⅛	+0⅛	9.87

Average price changes .. On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFCE 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayer Int. Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bergen, City of 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bhrmn -Tetsrode 7 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark 6¾ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dome Petroleum [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elet. de France [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofima [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F. G. H. Hypo. Bk. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Franc. Petroles [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Genstar 7 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Amer. Dv. Bk. 7 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan Dev. Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mt. Blanc Tunnel [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newag [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 7 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Philips Lamps [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. Ex. Cred. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade Dev. Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-Alpine [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. [illegible] 91	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia [illegible]	20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7¾ 89	12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 8.8 89	12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of [illegible] 87	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand [illegible] 87	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes ... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC 13¼ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC 11¼ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal Dev. 11¼ 90 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fst. Can. Inv. 10 84 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Bk. Canada 10 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tordom Cpn. 13¼ 86 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M. Bk. Dnmk. 9 91 EUA	25	88	87⅞	+0⅛	−0½	11.24
SOFTE 8¾ 89 EUA	40	84½	85⅛	−0⅛	−1½	11.31
U. Bk. Nwy. 9½ 90 EUA	18	91¼	92¼	0	0	11.01
Algemene Bk. 10¾ 86 Fl	60	93⅞	94⅜	−0⅛	−0⅛	11.95
Amro Bank 12 86 Fl	75	100⅛	100⅝	+0⅛	0	11.88
Heineken NV 10 87 Fl	100	94	94½	0	−0⅛	11.38
Nat. Nedrlndn. 10 88 Fl	60	94⅛	94⅝	+0⅛	+0⅛	11.24
Ned. Midd. Bk. 10 85 Fl	75	93¾	94¼	0	−0¼	11.91
Pierson 10¾ 86 Fl	50	92⅛	92⅝	+0⅛	−0⅛	12.50
Rabobank 12 86 Fl	50	100⅛	100⅝	+0⅛	0	11.84
Air France 14½ 85 FFr	200	92½	93¼	0	+0⅛	16.82
Bk. America 14½ 86 FFr	250	89⅞	90⅞	0	−0⅛	17.59
Charb'nages 13⅞ 85 FFr	400	89⅛	90⅛	0	0	17.37
EIB 14⅛ 88 FFr	300	87½	88¼	−0⅛	−0⅛	17.38
La Redoute 14⅜ 85 FFr	125	86⅛	87¼	0	+0⅛	18.79
OKB 14 86 FFr	400	90	91	−0⅞	−0¼	17.09
Solvay et C. 14⅜ 86 FFr	200	94½	95½	0	−0⅛	16.29
Swed. E. Cr 14⅜ 86 FFr	250	87	88	−0⅛	−1	18.78
U. Mex. Sts. 14 85 FFr	150	89	90	0	−0½	17.97
Acona 14 85 £	20	92⅜	93⅜	0	−0⅛	16.27
Beneficial 14¼ 90 £	20	83¾	84½	0	0	17.79
BNP 13½ 91 £	15	86¼	87	0	0	16.32
CECA 13½ 88 £	20	88½	89¼	0	−1½	18.18
Citicorp O/S 13½ 90 £	50	91½	92¼	−0⅛	−0½	15.22
Fin. Ex. Cred. 13⅜ 86 £	15	91⅝	92⅜	0	+0⅛	16.34
Gen. Elec. Co. 12½ 89 £	50	85¾	86½	0	0	15.70
Hiram Walker 14¼ 86 £	25	93¼	94	+0⅛	−0⅛	16.22
Privatbanken 14½ 88 £	12	89⅞	90⅝	+0⅛	+0⅛	16.39
Rothschild 14⅜ 90 £	12	92⅝	93⅜	0	−0⅛	15.75
Royal Trustco 14 86 £	12	92⅝	93⅜	+0⅛	−0½	16.20
Swed. Ex. Cr. 13½ 86 £	20	92⅛	92⅞	0	−0⅛	16.10
Akzo 9¼ 87 LuxFr	500	89½	90½	−0⅛	−0½	11.57
Euratom 9¾ 88 LuxFr	500	85⅝	86⅝	+0⅛	+0⅛	13.10
Eurofima 10½ 87 LuxFr	500	89½	90½	−0⅛	−0⅛	12.91
EIB 9¾ 88 LuxFr	600	86⅜	87⅜	0	+0⅛	12.82
Volvo 9¾ 87 LuxFr	500	85¼	86¼	0	−0⅛	13.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5¼ 90	0¼	97⅞	98⅜	16/12	16⅝	17.07
BBL Int. 5 86	0⅞	99	99½	20/11	18.31	18.45
BNP 5½ 88	‡0¼	99⅜	99⅞	29/10	18.81	18.88
Christiania Bk 5½ 91	‡0¼	98¼	98¾	5/11	19.19	19.48
Citicorp O/S Fin. 84	‡0	99⅛	99⅝	31/8	18⅞	18.99
C. Itoh 5½ 87	0¼	98⅞	99⅜	18/9	15.44	15.57
Co-operative Bk 6 86	0¼	99½	100	15/11	19.56	19.61
Den Norske Credit 6 90	‡0¼	98⅜	98⅞	5/11	19.19	19.46
Genfinance 5¾ 87	0¼	98⅝	99⅛	30/10	16.94	17.13
Genfinance 5⅜ 92	0¼	98½	99	30/12	18.31	18.54
Giro und Bank 5¼ 91	‡0¼	98½	99	23/9	19.06	19.30
GZB 5¼ 92	‡0¼	98	98½	5/9	17¼	17.56
Ind. Bank Japan 5¼ 88	0¼	98⅞	99⅜	9/10	18.44	16.58
Lloyds Eurofin 8 90 £	0⅛	97¼	97¾	6/1	13⅝	13.97
Lloyds Eurofin 5¼ 92	0¼	98⅛	98⅝	4/12	17.44	17.73
LTCB Japan 5¼ 88	0¼	98⅞	99⅜	13/12	17⅛	17.40
Man. Hanov. O/S 5¼ 94	‡0⅛	99⅛	99⅝	30/8	19.06	19.18
Merrill Lynch O/S 87	0⅛	99⅞	100⅜	9/11	19.06	19.04
Midland Int. Fin. 5¼ 92	0¼	98⅛	98⅝	5/12	17⅜	17.66
Midland Int. Fin. 9 91	0¼	98⅛	98⅝	30/10	16.81	17.09
Nacional Fin. 6¾ 88	0¼	98⅞	99⅜	25/1	19¼	19.44
Nacional Fin. 5½ 88	0¼	96⅞	97¼	25/9	14⅞	15.32
Nat. Bk. Canada 5¼ 88	0¼	98	98½	24/9	14½	14.76
Nat. West. 5¼ 94	§0¼	97¾	98¼	14/10	16.19	16.57
Nat. West. Fin 5¾ 91	§0¼	98⅛	98⅝	15/1	18⅛	18.42
Nat. West. Fin. 5¾ 92	§0¼	97⅝	98⅛	23/10	16.81	17.18
Pemex 6 91	0⅞	96⅞	97⅜	8/10	15.31	15.77
Societe Generale 5¼ 91	0⅛	98½	99	22/1	18⅝	18.85
Sparebanken 6 87	0¼	97⅝	98⅛	19/12	16.81	17.16
Standard Chartd 5¾ 90	0¼	99	99½	3/9	17.06	17.19
Svenska Hndlsbk. 5 87	0¼	98⅞	99⅜	15/1	18⅛	18.28

Average price changes On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	85½	86½	+1¼	6.63
Bow Valley Inv. 8 95	4/81	23.12	103⅞	105⅛	+0½	20.36
Canon 6⅝ 95	1/81	829	195⅜	196⅞	+4⅞	4.61
Credit Suisse 4¾ 93	10/79	1236	85½	87½	+0⅛	5.87
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Kevin Done in Frankfurt examines the reasoning behind the proposed West German telecom merger

Why AEG wants Bosch—and Telefonbau

HERR WINRICH BEHR, managing director of Telefonbau und Normalzeit (TN), insisted yesterday that his company was not "being cracked like an egg into the frying pan" to be made a meal of by two of the giants of the West German electrical industry, AEG-Telefunken and Robert Bosch.

At a Press conference Herr Behr said, however, that in reality TN recognised several years ago that its days as an independent manufacturer of telephone systems were limited in an industry dominated by companies of the dimension of ITT, IBM, Philips and Siemens.

He was providing his listeners with background to the news that AEG and Bosch were discussing forms of co-operation leading, possibly, to the creation of a major new telecommunications company which would be centred around TN.

In 1968 TN decided to throw in its lot with AEG-Telefunken, where it fondly imagined it would find the research and development and capital resources necessary to support its future expansion in the fiercely competitive world telecommunications industry.

Under the terms of a complicated deal TN's private shareholders—there are now more than 100 grandchildren and great grandchildren of the original founding families still holding interests in the company—agreed to AEG taking at first a minority stake. This interest has gradually been built up and now stands at 39 per cent of the DM 72m nominal capital.

In addition, however, AEG was given an option allowing it to take at least a majority 50.1 per cent interest from January 1, 1983. It must tender for 100 per cent of the shares and if none of the private shareholders decide to sell, it could take the majority through subscribing to new capital.

For AEG the attraction of the deal in the late 1960s was clear. Almost alone among the world's telecommunications giants it lacked a presence in telephone systems to round out its other telecommunications activities. TN promised an important presence in this market, particularly in West Germany, if not worldwide.

With a turnover worldwide of almost DM 1.5bn ($500m), a workforce of some 19,000 and 17 production and sales companies at home and abroad, TN holds around 20 per cent of the DM 4.5bn-DM 5bn West German market for private telephone exchanges and telephones. It also controls about 7.5 per cent of the DM 2bn a year market for public switching equipment, ranking in both markets behind Siemens and SEL, the subsidiary of ITT of the U.S.

The reasons for moving in to take over TN are still as valid today as they were 13 years ago for AEG. Only the money to do it is missing.

In 1979 AEG was only saved from financial collapse by a massive DM 930m rescue by the banks and more than DM 450m of new long term loans subscribed to by other big German industrial companies and insurance groups.

Last year losses totalled DM 278m after DM 968m in the previous year.

AEG is still desperately short of cash and has been searching hard for a large and financially secure outside shareholder. Bosch, the Stuttgart-based electrical and automotive components group with a turnover last year of DM 11.8bn, does not yet appear to be willing to fill such an onerous role. But it is ready to diversify by moving into some of AEG's most profitable telecommunications areas, providing the finance for further developments and offering AEG the chance too to stay in the sector.

For AEG telecommunications represents one of its most promising growth activities, but it is financially far too weak to carry the massive development costs alone.

In negotiations first revealed this week Bosch is considering taking a substantial shareholding in TN. The deal is still in question, but it would clearly take a significant part of AEG's existing 39 per cent plus most of the TN holding coming available in 1983.

In addition AEG is planning to put its profitable telecommunications and cable systems divison into the same "pot." The final corporate form of the new telecommunications venture between the three companies is still unclear, but AEG's telecommunications and cable systems activities could be split off into separate company in which Bosch would again take a shareholding. These operations plus TN could be placed under a general holding company.

The existing AEG division with sales this year of around DM700m, 6,200 employees and four plants in Baden-Württemberg and Lower Saxony, contain the AEG group's interests in important areas like systems management for space projects, communications satellites and complete earth stations, communications cable and optical fibres systems.

There is a clear need for the three companies to co-operate if they are to hold their heads above water in the telecommunications industry of the 1980s and 1990s.

The information and telecommunications systems of the near future will demand a marriage of many disciplines from computers to transmission equipment, video, radio and audio technologies, office information equipment and switching technology. In supplying such complete systems, AEG, TN and Bosch can all offer important component parts.

Herr Behr said yesterday the deal could be completed by the autumn, and for AEG that will not be a moment too soon.

Sharp rise in Bell Group profit

BY OUR SYDNEY CORRESPONDENT

BELL GROUP, the flagship of the media and transport empire headed by West Australian financier Mr Robert Holmes à Court, reports a sharp rise in profits for the year ended June 1981.

Helped by extraordinary credits and despite more than doubled interest charges, net profits have moved ahead for the tenth year running—this time to A$7m (U.S.$7.9m) from A$5.1m.

The dividend is being held at 10 cents share but the final of 5 cents is being paid on capital to be increased by a one-for-four scrip issue.

The disposal of Petroleum Distributors pushed extraordinary profits up to A$16.2m, against A$8.7m in the previous year.

Petroleum Distributors was the vehicle through which Mr Holmes à Court made an A$16.5m tax-free profit through an abortive bid for Elder Smith Goldsborough Mort, the pastoral group.

The group's interest charges last year rose to A$7.3m from A$3.6m.

In recent years Mr Holmes à Court has come to prominence as one of the more active and aggressive of Australian entrepreneurs.

Last month his interests acquired a near 22 per cent shareholding in the non-voting capital of Associated Communications, the troubled entertainment group headed by Lord Grade.

● The Queensland government's policy of defending local companies against takeover bids from Sydney and Melbourne is proving costly. It was disclosed yesterday that the Queensland authorities had sustained a paper loss of almost $3m defending companies against such raids.

The most spectacular loss has come as a result of the state Government buying over 3m shares in Evans Deakin at an average cost of $2.96 a share, worth only $2.05 apiece.

Risk capital offshoot for NCB

BY CHARLES BATCHELOR IN AMSTERDAM

A VENTURE capital subsidiary has been set up by Nederlandse Credietbank (NCB). It is the fourth Dutch bank to do so since the Dutch central bank last year relaxed restrictions on banks' shareholdings in industry.

NCB Investments has a paid up capital of Fl 10m ($3.6m) and will provide risk capital in the form of share participations and subordinated convertible loans.

Nederlandse Middenstandsbank (NMB) was the first bank to respond to setting up a venture capital subsidiary with Fl 20m of authorised capital, of which half has been paid up.

Algemene Bank Nedereland (ABN) followed by establishing a subsidiary with Fl 30m of capital, while last month Amsterdam-Rotterdam Bank and it merchant banking subsidiary, Pierson, Heldring en Pierson announced plans to set up Holland Venture Holdings with Fl 10m capital. Three insurance companies, Ago, Ennia and Nationale-Nederlanden intend to take a stake in this venture.

Dutch banks were initially only allowed to take a maximum stake of 5 per cent in a non-bank, but this limit has now been raised to 49 per cent. They are still limited to a maximum investment of Fl 2.5m per company and must generally withdraw after five years. Banks must not commit more than "a few percentage points" of their own capital to this form of investment.

Buoyant first half at Sapporo Breweries

By Yoko Shibata in Tokyo

BUOYANT first-half results are reported by Sapporo Breweries, Japan's second largest brewer after Kirin Brewery, and the group has revised upwards its profit expectations for the whole of 1981.

Helped by price rises, operating profits have risen by 48 per cent to Y5.6bn ($23.3m) for the half-year, and net profits at Y1.7bn are 55 per cent higher. Sales are 14 per cent ahead at Y148bn.

Since the beginning of the current half-year the weather in Japan has improved markedly from an unseasonally cool June, and Sapporo is forecasting good results in beer shipments through July and August. As a result, full-year beer volume is expected to grow by 6 per cent.

Operating profits for 1981 are now projected at Y9bn, up 35 per cent, and net profits at Y4bn, a gain of 17 per cent.

● Kikkoman, Japan's largest soy sauce producer, lifted half-year operating profits by 26.1 per cent to Y607m. Net profits were Y441m, up 20.4 per cent on sales of Y56.3bn, up 2.5 per cent.

Turnover for the whole of 1981 is expected to grow by 7 per cent to Y132bn, and as a result net earnings are forecast to improve to Y2.2bn for a gain of 3½ per cent.

Hong Kong set to approve licences for foreign banks

BY KEVIN RAFFERTY IN HONG KONG

HONG KONG'S executive council will be asked next week to approve the granting of licences to five foreign banks, the first licences to be issued since the lifting of a moratorium imposed in August 1979.

The identity of the five new banks has not been disclosed but they will probably include Bankers Trust, which just failed to beat the imposition of the moratorium in 1979, and some Japanese banks, probably including Mitsubishi Bank.

At the end of May the Financial Secretary announced the lifting of the moratorium, along with stiffer criteria before a bank could get a Hong Kong licence. These included the need for the foreign bank to have assets of at least HK$10bn (U.S.$1.73bn), much higher than the previous asset criterion.

The financial Secretary also suggested that there would be no new moratorium, but a regular and regulated flow of new banks would be allowed to set up in Hong Kong provided that they met the criteria.

WORLD STOCK MARKETS

Firmer early Wall St bias

FURTHER take-over speculation in the Energy sector highlighted a mixed to firmer Wall Street stock market in active early trading yesterday.

However, the Dow Jones Industrial Average, which rose 7.61 on Wednesday, receded after gaining about three points more and was 0.29 below the overnight level at 953.29 at 1 pm yesterday. The NYSE All Common Index held a fresh gain of 17 cents at $77.08, while advances led declines by a seven-to-five margin. Turnover further increased to 41.01m shares from the previous day's 1 pm level of 38.37m.

Michael Metz, of Oppenheimer and Company, noted that almost all the activity in the market is concentrated on Energy and Mining issues as investors try to guess where Mobil and Seagram will look now that they have lost the Conoco take-over battle.

Conoco was up ½ to $92 and Du Pont, the victor in the bidding war, topped the actives list at $47, off ½. Mobil shed ½ to $31½ and Seagram ½ to $55.

On the actives list, Occidental Petroleum rose ⅞ to $28⅞, Cities Service 1⅞ to $58⅞, Rowan ⅞ to $19⅞ and Gulf Oil ⅞ to $39⅞.

THE AMERICAN SE Market Value Index recorded an improvement of 1.79 at 370.16 at 1 pm after volume of 3.73m shares (4.01m).

Canada

Markets were inclined to make further upward progress yesterday morning in a fairly large business.

The Toronto Composite Index was 14.1 higher at 2,287.7 at midday, while Oil and Gas added 32.2 at 4,980.5, and Golds 56.9 at 3,969.9. In Montreal, Banks rose 4.91 to 347.61 and Utilities 3.98 to 269.35.

Among the actives, Hudson Bay Oil and Gas shed ⅞ to C$39⅞ but Canadian Pacific put on C$2 to C$54½.

Closing prices for North America were not available for this edition.

Tokyo

With foreign buyers returning to the Tokyo market, encouraged by the yen's recent rallying trend against the U.S. dollar, and the overnight Wall Street advance also boosting sentiment, Large-capital issues and some Blue Chips moved sharply ahead yesterday.

Public and corporate domestic buyqers also participated, but profitt-aking pared a number of gains later, with the market displaying a majoirty of declines at the close.

The Nikkei-Dow Jones Average ended a net 17.57 up at 7,906.10 and the Tokyo SE index was still 1.14 higher on balance at 596.31, but falls on the First Market section outpaced rises by 365 to 215. Trading volume further expanded to 480m shares from Wednesday's 350m.

Heavy Electric Machines were particularly in demand and retained strong rises, while Steels, Shipbuildings, some Precision Instruments and Oils recorded good gains. Profit-taking left Light Electricals mixed on the day, however, while Motors closed easier, along with Constructions, Foods, Chemicals and Non-Ferrous Metals.

Hitachi climbed Y31 to a record Y860, while **Toshiba** advanced Y16 to Y455, **Ricoh** Y96 to Y1,090, **Nippon Electric** Y27 to Y190, **Matsushita Electric** Y30 to Y1,850, **Toray** Y14 to Y382, **Nippon Steel** Y7 to Y218, **Furukawa Electric** Y18 to Y383, **Kawasaki Heavy** Y4 to Y206, **Sharp** Y33 to Y970, **Canon** Y30 to Y1,810 and **Teikoku Oil** Y28 to Y619.

In contrast, **Pioneer Electronic** shed Y100 to Y4,370 and **Nissan Motor** Y30 to Y1,140.

Germany

An increase in purchasing by foreign investors, taking advantage of the D-Mark's low level against the U.S. dollar, produced selective good gains and left the Bourse with an overall firmer tendency after a fairly active session. However, the Commerzbank index, which is based on mid-session price levels, registered a decline of 3.4 at 729.5.

Heavily-sought Preussag shares moved up DM 6.30 to DM 268.80, after gaining DM 2.50 on Wednesday, still enjoying market confidence in the company's 1981 profits outlook and expansion potential.

Deutsche Bank, up DM 2.50, and Bayerische Vereinsbank, rising DM 4, both benefited further from their interim reports. Dresdner Bank also gained DM 4.

Among mixed Electricals, AEG added DM 4.30 at DM 52.30 on reports of talks between AEG and Bosch on the feasibility of co-operation in data processing technology. Siemens, down DM 3.40 at DM 229.60, continued to fall after announcing on Wednesday that its profits were 21 per cent lower in the first nine months of fiscal year 1980-1981.

In sluggish trading on the Domestic Bond market, prices of Public Authority Loans posted losses ranging to 60 pfennigs and gains of up to 20 pfennigs.

Australia

Supported partly by rising base metal prices, but also reflecting a technical adjustment in response to a prolonged decline, markets showed some signs of recovery yesterday.

Dealers noted a revival, although on a selective basis, of overseas buying. The All Ordinaries index picked up 4.2 to 629.2 from Wednesday's 1981 low point, although overall price movements were mixed.

Among the leaders, **BHP** retrieved 10 cents to A$12.70, while **CRA** put on 10 cents to A$4.05, **EZ** 13 cents to A$5.34, **Peko** 6 cents to A$6.24, **Western Mining** 3 cents to A$4.55 and **Woodside Petroleum** 3 cents to A$1.65.

Vamgas and **Petroleum Securities** were among the stronger Oils as the partners prepared to run a three-month test at the Bliina No. 1 well. Vamgas rose 50 cents to A$13.00 and Petroleum Securities 30 cents to A$6.30.

However, Hartogen was unchanged at A$7.40 despite reporting two promising oil flows at two wells in Queensland's Kincora Field.

Long-rumoured take-over target Myer, in Retailers, was among the heaviest traded issues as the shares added 2 cents at A$1.95. Pipemaker Humes, also considered to be a possible take-over stock, rose 15 cents to A$1.70.

Hong Kong

A recovery in the HK dollar against its U.S. counterpart gave stock market sentiment a lift yesterday, with share prices mainly rallying in improved trading than of late. The Hang Seng index strengthened 32.79 to 1,722.46, while turnover on the four stock exchanges amounted to HK$441.02m.

A strong showing by Hotels and Transport-related issues reflected the record HK$2.8bn sum aid for the Miramar Hotel this week and the struggle for control of China Motor Bus.

Associated Hotels advanced HK$1.30 to HK$13.70 and HK Hotels HK$6.50 to HK$64.

Among leading issues, **Cheung Kong** put on 50 cents to HK$31.50, **Swire Pacific "A"** 30 cents to HK$17.00, **Jardine Matheson** 20 cents to HK$22.60, **Hutchison Whampoa** 60 cents to HK$23.00, **HK Wharf** 25 cents to HK$7.95 and **HK Land** 30 cents to $HK11.50.

Johannesburg

Gold shares recouped a little more ground, helped by the slight recovery in the Bullion price.

Mining Financials also hardened, with **Sentrust** up 10 cents at R8.30 after annual results. Platinums strengthened, Rusplat rising 45 cents to R5.80, while Industrials mostly improved.

COMMODITIES AND AGRICULTURE

Pledge to herring fishermen

Financial Times Reporter

SCOTLAND'S angry fishermen were told yesterday the Government would do everything possible to restore "sanity" to herring fishing.

The pledge was given by Lord Mansfield, Fisheries Minister at the Scottish Office in a speech at Fraserburgh, Aberdeenshire.

He was speaking before meeting Fishermen's leaders for talks on problems facing herring fishermen on the West Coast of Scotland.

The West Coast fishing grounds were unexpectedly re-opened last week by the EEC Commission after a three-year ban on herring fishing there to allow stocks to build up.

Since the re-opening, prices have slumped and virtually all herring caught has been sold for fish meal at rock bottom prices.

Lord Mansfield said the Government was "extremely concerned." He said: "We cannot tolerate a situation where the sacrifices which our fishermen have endured over the past three to four years are squandered because of the irresponsibility of other countries who appear to put selfish short-term gains before the future of the herring stock and of the fishermen who depend so heavily on its continued recovery.

"You may rest assured that we will do everything we can to ensure the return of some sanity to herring fishing."

He said it would not have been right for the Government to impose immediate restrictions on our own fishermen which could have placed them at "considerable disadvantage" compared to other countries fishing off the West Coast.

"Our aim must, as far as possible, be to try to come to sensible arrangements," he added.

Large eggs to cost more

THE PRICE of larger size eggs (grades 1 to 3) is being raised by 3p a dozen next week because of improved demand, Goldenlay, the egg marketing consortium announced yesterday. The company said that the recent reduction in prices had brought in extra buying interest that had been concentrated on the larger eggs. Grade 4 size eggs will go up by 1p a dozen and other sizes remain unchanged.

Lead market tops £500

BY JOHN EDWARDS, COMMODITIES EDITOR

LEAD PRICES broke through £500 a tonne on the London Metal Exchange yesterday for the first time since March last year. Cash lead closed £11 up at £502 a tonne, encouraged by a further spate of U.S. price increases. Asarco, Cominco and later Bunker Hill lifted their U.S. quotations to 46 cents a lb. jumping over previous rises by other producers.

Aiding the rise in lead, which has moved up by £46 in the past four trading days, are the continuing strikes at Tara Mines in Ireland and the Amax plants in Missouri.

At the same time a significant feature of the market is that the cash price is at a premium to the three months quotation indicating a shortage of immediately available supplies.

This is not the case in zinc, where the market is also being boosted by the Tara Mines strike exacerbating the shortage of ore concentrate supplies available to European smelters.

Several more leading smelters yesterday formally denied persistent market rumours that a leading company was being forced to cut sales. However it is generally acknowledged that a rise in the European producer price from its present level of $925 a tonne is almost inevitable shortly in view of the rise in U.S. prices making American smelters more competitive for supplies of concentrates.

Cash zinc closed £10 up at £548.5 a tonne after climbing considerably higher at one stage. The three months quotation reached a seven-year peak of £577 before closing at £560.5.

Copper lost most of tis early gains to close only marginally higher. Aluminium was depressed by news that Kaiser Aluminium was shutting down two of its potlines in the U.S. because of declining demand and escalating costs. Alpart Alumina in Jamaica also announced that it is to cut production because of the depressed international aluminium market. Alcoa and Alcan announced Jamaican production cuts last month for the same reason.

Plans for more U.S. stockpile purchases

BY OUR COMMODITIES STAFF

PLANS TO buy two more materials required by the U.S. strategic stockpile — refractory bauxite and vanadium pentoxide —were announced in Washington by the General Services Administration. Last month the stockpile made its first purchase for 20 years when acquiring 5.2m lbs of cobalt. But it has a long list of other materials where current holdings are below the stockpile targets required to meet defence needs. The Reagan administration has said it wants to build up the strategic stockpile using funds generated by the sale of surplus materials held, such as tin and silver.

The stockpile authorities said it was planned to buy 1.8m lbs of vanadium pentoxide, which must be suitable for the production of ferro-vanadium, alloy steel and non-ferrous alloys. South Africa accounts for some 50 per cent of world production of vanadium, which is widely used in pipeline manufacture. Refractory grade bauxite, of which the stockpile wants to buy 25,000 tonnes to begin with, has a high alumina content and is used in high-heat processing.

General Services Administration, which will handle the purchases, said that material may be purchased outright or an exchange might be made for surplus supplies of other materials held by the stockpile authorised for disposal. Currently the stockpile is selling on a regular basis mercury, tungsten ore and tin, as well as industrial diamonds. It plans to start silver sales in October.

Meanwhile in Lima the Peruvian senate condemned the U.S. plans to sell stockpile silver. The senate unanimously passed a resolution stating that it considered the attitude of the U.S. "a notoriously wounding act to the economy of Peru."

Coffee recoups early loss

By Our Commodities Staff

COFFEE PRICES rallied on the London futures market yesterday afternoon after renewed speculative selling had pushed values £60 lower in the morning. The November position slipped to £936 a tonne at one stage but ended only £3.50 down at £993.50 a tonne.

Dealers attributed the early fall to follow-through from a sharp overnight decline in New York with further encouragement coming from rumours that the U.S. Agriculture Department was about to report only limited damage to the Brazilian crop from last month's frost.

The New York market opened stronger, however, possibly influenced by a commission house "buy" recommendation, and London prices quickly recovered.

The 1981/82 coffee crop in Colombia, second to Brazil in the world production league, is likely to be close to the 13.5m bags (60 kilos each) harvested in 1980/81

Coffee trade volume up

By Our Commodities Staff

COFFEE overtook sugar as the most actively traded commodity futures market in London in terms of volume during July, following news of frost damage to Brazil's 1982-83 coffee crop, figures published by the international commodities clearing house (ICCH) show.

Robusta coffee futures contracts cleared by the ICCH in July totalled 156,000 lots compared with 105,000 in June and 166,000 in July 1980 while raw sugar contracts totalled 139,000 lots versus 149,000 and 204,000 respectively.

Total London futures contracts traded in July were 446,000 lots compared with 376,000 in June and 439,000 in July 1980.

Cocoa contracts nearly doubled in volume last month, with 108,249 lots traded compared with 55,042 in July 1980. Gas oil futures, a relatively new commodity, traded at 19,756 lots, while potato futures leaped from 1,072 in July 1980 to 11,134 last month, giving a January-July figure of 27,373 against 1,814 previously.

Grain deal disappoints farmers

BY OUR COMMODITIES STAFF

U.S. CEREAL growers are disappointed that no increase in the minimum amount of American grain the Soviet Union will buy in the 1981-82 (October-September) marketing year was agreed at talks between the two countries in Vienna this week.

The talks resulted in the extension for one year of a five-year agreement due to run out at the end of September. The minimum and maximum amounts the Russians can buy without consulting the U.S. Administration were left at 6m and 8m tonnes respectively. Both sides said they were very pleased with the agreement.

In Washington yesterday, Mr Michael Hall, representative of the National Corn Growers' Association, said farmers had no greater assurance that the Soviet Union would be a bigger customer for U.S. grain than they had been before the talks.

However, he said if extending the pact one more year provided a framework for further talks during which larger purchases might be negotiated, then it was a positive step.

Mr. John Block, the U.S. Agriculture Secretary, said he was very pleased with the outcome of the meeting. "We have been able to re-establish this trade relationship on wheat and corn (maize) and now have a mechanism for future talks," he said.

Poland could need to import 8m to 9m tonnes of grain during 1981-82 (July-June), the U.S. Agriculture Department said, reports Reuter.

In its weekly round-up of world production and trade, the agency added, however, that it was unlikely Poland would achieve this import level because of its poor foreign exchange position.

The current USDA forecast puts Polish grain imports at around 7m tonnes during the 1981-82 season, assuming sufficient credit is made available. In 1980-81 an estimated 7.8m tonnes was imported from all sources.

The Depatment now forecasts China's 1981 wheat coarse grains and rice crops at a total of 279m tonnes, up from the 276m tonnes estimated for 1980 but below the 289.4m tonnes produced in 1979.

The USDA counsellor in Peking said in a field report the wheat crop was still forecast at 56m tonnes, up from 54.2m in 1980.

Australian lamb shipment a success

— Australian graziers' hopes of exporting more chilled lamb to Saudi Arabia have been boosted by the success of a trial sea shipment.

About 6.5 tonnes of lamb carcases have arrived in good condition in Saudi Arabia after a 15-day voyage from here using a new packing system specially designed for Middle East shipments.

The Australian Meat and Livestock Commission, who organised these trials, said the shipment was sold on the Saudi market within three hours of unpacking.

Until now Saudi importers have relied on air services for imports of chilled lamb from Australia.

FARMER'S VIEWPOINT

The changing face of farm finance

THE AGRICULTURAL Mortgage Corporation was founded in 1928 following the passage of the Agricultural Credits Act of that year.

Its main purpose was to provide long-term finance for farmers secured on the value of the land and buildings as opposed to banks which in the main followed in those days the old banking precept of lending on the short term or on call. Its shareholders are the Bank of England and the clearing banks.

Its source of funds was by the issue of long-term debentures and the Government undertook under the terms of the Act to balance the profit and loss account each year. This was necessary between 1936 and 1963 to the extent of a total of £1.5m. This has now been repaid and the shareholders have been in receipt of dividends.

The main attraction of the AMC was, to me, the fact that the loans were long term and the rate of interest was fixed over the period, which at one time amounted to 60 years as a maximum. That the AMC did not prosper mightily as it might have done was due to the curious attitude of the main shareholders, the clearing banks.

I purchased a farm I had been renting in 1947 and told my bank manager that I would like a bridging loan until I could take up an AMC mortgage. The rate at that time being 3½ per cent over the full 60 years of the loans then offered. I should explain that at the time the AMC had what many considered to be an over-elaborate and expensive procedure for securing a loan. While a bank manager could say yes or no in a very short time.

Instead of welcoming the relief of his overdraft liability of which he had only just become aware. I had taken the precaution of paying the deposit on the farm without asking him first. He pointed out the disadvantages of fixed loans at fixed interest rates, and said that he would match the AMC 3½ per cent if I would stay with him. Foolishly I agreed.

I say foolishly, because within a year interest rates had risen and he also suggested that the bank would like my loan reduced by about 10 per cent a year. This I pointed out to him was a very foolish suggestion, in that taxation at that time left no money for a sole trader to make any appreciable capital repayments out of profits. So I transferred to the AMC, where repayments on a 60-year loan worked out at about ½ per cent annually. I have never taken bankers very seriously since.

The scene now is entirely different. The banks and other money lenders are competing with the AMC as a source of long-term farm finance. It does seem to me that the AMC is being driven into having the worst of all possible worlds, with its shareholders, the banks, doing their best to undermine its existence.

Its original purpose of providing long-term finance—which which the banks could not or would not provide under their original terms of business—is no longer valid. The banks are now making loans of up to 20 years on the basis of a percentage over base rate, usually 3 3 per cent. AMC is offering flexible interest rates on some loans but it cannot match the convenience of a fluctuating current account as provided by a bank.

That is not to say that the corporation is not trying. Like the banks, it has a splendid pavilion in the so-called "bankers' row" at the Royal Show. It has very much simplified the cost and procedure for raising loans. Its valuers around the country now act as its agents, answers can be very quickly received from headquarters. The variable interest loans can be made into fixed rates at the borrowers' option at any time.

In these circumstances of intense competition can the Corporation survive much longer? This all depends on the practices of the banks.

At present they are hell bent on increasing their commitment to farming. It seems that there is a consensus among bankers that farming is going to provide a steady meal ticket for ever. Their advertising and sponsorship of agricultural events is all pervasive. They are trying to get the farmers business just as hard as do the chemical companies and other traders. With rather less actual competition between themselves, as would make for a healthy money market.

To take out fixed-term mortgages at present fixed interest rates on the long term is for a farmer highly questionable. Even the AMC's variable rates are not as attractive as many bank loans, particularly now that banks are in practice lending farmers overdrafts on an indefinite term. Its future really depends on a change of bankers' attitudes. The present bankers' euphoria for farming stems from the fact that farming has been relatively more prosperous than many other parts of industry. That farmland and stock has been appreciating and that their loans are secured thereby.

Only if these happy circumstances are attenuated or reversed substantially will the banks have second thoughts about their help for farming. In that event there could be a change of heart and this should find the banks seeking the AMC as an escape from their commitments, just as they did when they sponsored its founding in 1928.

John Cherrington

BRITISH COMMODITY MARKETS

BASE METALS

ZINC WAS once more the star among base metals, with rumours of a European producer price rise carrying forward metal to £563. Forward Tin was also actively traded, closing at £7,890. Copper was finally £1,031.5, Lead 496, Aluminium £698.5 and Nickel £3,395.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	994-.5	+3.5	1002-.5	+2.75
3 months	1025-.5	+4.5	1033-.5	[illegible]
Settlem't	994.5	+3.5	—	......
Cathodes				
Cash	990-2	+4.25	997-2	+3
3 months	1018-9	+6.75	1023-5	+2.75
Settlem't	992	+5	—	......
U.S. Prod.	—		*80-5	......

Amalgamated Metal Trading reported that in the morning copper three months wirebars traded at 29, 29.5, 28, 27, 26, 25. Kerb: Wirebars, three months £1026, 25, 24, 23. Afternoon: Wirebars, cash £1002; three months £1029, 30, 31, 31.5, 32, 31.5, 31, 31.5, 32, 34, 35, 34.5 34, 33 33.5, 34, 33.5, 33. Kerb. Wirebars, three months £1/33, 32.5, 32, 31, 31.5, 31, 30.5, 31, 30.5. Turnover: 36,825 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7845-7	-51.5	7860-80	+15
3 months	7899-900	+42	7880-5	+30
Settlem't	7847	-55	—	......
Standard				
Cash	7845-7	-51.5	7860-80	+15
3 months	7899-900	+42	7880-5	+30
Settlem't	7847	-53	—	......
Straits E.	$33.40	-.12	—	......
New York	—		......	

Tin—Morning: Standard, Cash £7847; three months £7850, 55, 52, 55, 65, 66, 75, 80, 90, 7900, 10, 7890, 7900, 7890, 95, 96, 97, 98. Kerb: Standard, three monthsmonths £7890. Afternoon: Standard, three months £7900, 10, 20, 30, 7900, 7880, 85, 70, 65, 70, 80. Kerb: Standard, three months £7880, 70, 80, 85, 90. Turnover 3,056 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	498-500	+15.2	500-3	+11
3 months	497.9	+15.5	499-500	+8.75
Settlem't	500	+16	—	......
U.S. Spot	—	......	*41	......

Lead—Morning: Three months £498, 97, 98, 97.5, 97, 98, 97, 96, 95, 94.5, 97. Kerb: Three months £496, 95, 94, 93.5, 94, 94.5, 94. Afternoon: Late August £501; three months £498, 500, 499, 98, 98.5, 500, 02, 03, 02, 01.5, 02, 03, 02, 01, 500, 499. Kerb: Three months £500, 499, 97.5, 96, 95, 94, 95, 97, 96, 97. Turnover: 16,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	553-.5	+24.1	548-.9	+10
3 months	563-.4	+21.5	560-.1	+8.75
S'ment	555	+26	—	......
Primw'ts	—	—	*46.5-8.75	......

Zinc—Morning: Three months £575, 73, 71, 70, 68, 67, 66, 68, 67, 66, 65, 64, 63, 60, 61, 63. Kerb: Three months £565 64, 63, 62, 61.5, 62.5, 63. Afternoon: Cash £552, 49; three months £567, 68, 70, 68, 65, 69, 68, 67, 66, 65, 64, 63, 61, 60. Kerb: Three months £559, 60, 57, 58, 59, 60, 61, 62, 63, 62.5, 63. Turnover: 21,100 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	673-.5	+1	675-.6	-5.5
3 months	697-.5	+1.75	698.9	-5.25

Aluminium—Morning: Three months £700, 698, 97.5, 97. Kerb: Three months £698, 98, 98. Afternoon: Three months £700, 699, 99.5, 99. Kerb: Three months £698, 98.5, 99. Turnover: 8,375 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3370-5	-2.5	3375-80	-7.5
3 months	3412-5	-4.5	3415-8	+1.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Cash £3375; three months £3420, 15, 3415. Afternoon: Cash £3375; three months £3415. Kerb: Three months £3410, 3390. Turnover: 1,542 tonnes.

SILVER

Silver was fixed 8.7p an ounce higher for spot delivery in the London bullion market yesterday at 467.05p. U.S. cent equivalents of the fixing levels were: spot 842.1c, up 14.1c; three-month 881.4c, up 15.2c; six-month 921.4c, up 15.4c; and 12-month 992.3c, up 15.9c. The metal opened at 462-466p (835-845c) and closed at 465-470p (838-848c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	467.05p	+8.70	468.5p	+7.5
3 months	482.90p	+8.80	484.5p	+7.25
6 months	499.80p	+9.00	—	......
12 months	531.80p	+9.60	—	......

LME—Turnover: 73 (66) lots of 10,000 ozs. Morning: three months 483.5, 84, 85, 84.5, 84, 83, 83.5. Kerb: untraded. Afternoon: three months 484, 84.5, 85. Kerb: three months 484.5.

COCOA

COCOA	Yes'rday's Close	+ —	Business Done
Sept	1199-200	+5.0	1209-192
Dec	1243-41	+1.5	1250-32
March	1257-58	—1.0	1265-51
May	1264-65	—0.5	1271-60
July	1272-75	—	1279-67
Sept	1284-85	+1.0	1289-78
Dec	1298-99	+2.6	1300-290

Sales: 3,672 (5,228) lots of 10 tonnes.

ICCO Futures—Daily prices for Aug 5: 100.31 (99.73): five-day average 98.68 (98.17).

COFFEE

Robustas opened £40 lower, due to further limit collapse in New York, reports Drexel Burnham Lambert. The decline continued, triggering minor stops before trade and commission house buying, a healthier "C" market and dealer short-covering aided a spirited recovery and a firm close.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
Sept	984-87	—7.5	989-34
Nov	992-95	—3.5	1000-36
Jan	1000-03	—6.5	1005-40
March	1005-06	—8.5	1010-52
May	1005-15	—25.0	985-65
July	1006-30	—19.5	985
Sept	1035-50	—20.0	—

Sales: 5,893 (4,056) lots of 5 tonnes.

ICO Indicator prices for Aug 5: (U.S. cents per pound): Comp. Daily 107.13 (109.88); 20-day average 107.60 (106.95).

GAS OIL FUTURES

Prices eased off in the face of renewed strength in the dollar and a lack of any real interest in the market, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
August	296.50	—	295.25-95.00
September	298.25	—1.75	300.00-97.25
October	302.25	—1.75	304.50-02.00
November	306.25	—1.25	307.50-06.00
December	309.25	—1.00	310.75-08.50
January	312.25	—	313.00-13.00
February	315.50	—0.50	315.75-15.75
March	318.50	—0.50	—
April	320.75	—0.50	—

Turnover: 534 (313) lots of 100 tonnes.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Aug 115.25, Sept 114.35, Oct 116.00 transhipment East Coast sellers: U.S. Hard Winter 13½ per cent Aug 120.50, Sept 120.75 transhipment East Coast sellers: English Feed fob 10-30 Aug 103.50 paid East Coast. Maize: French late Aug 126.00 transhipment East Coast seller: South African Yellow Sept 96.50 seller. Barley: English Feed fob Sept 102, Oct 104, Oct-Dec 105 paid East Coast. Rest unquoted.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Sep	106.25	+1.10	98.65	+0.85
Nov	110.05	+1.05	102.50	+0.65
Jan	114.10	+0.95	106.55	+0.70
Mar	118.00	+0.95	110.45	+0.75
May	121.50	+1.05	113.75	+0.60
July	125.00	+0.95	—	—

Business done—Wheat: Sept 106.40-105.75, Nov 110.25-109.65, Jan 114.50-113.65, March 118.20-117.45, May 121.75-121.00, July 125.00-124.60. Sales: 599 lots of 100 tonnes. Barley: Sept 98.65-98.20, Nov 102.65-102.20, Jan 106.60-106.20, March 110.50-110.05, May 113.30-113.45. Sales: 316 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 92.00, S West 91.00, W. Mids 92.00, N. West 92.00. The UK Monetary Coefficient for the week beginning Monday August 10 is expected to remain unchanged.

RUBBER

The London physical market opened easier, with fair interest throughout the day, closing uncertain.

Lewis and Peat reported a fob September price for No. 1 RSS in Kuala Lumpur of 254.5 (246.5) cents a kg and SMR 20 214.0 (215.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Sept	65.70-66.00	66.10-66.20	—
Oct	66.50-67.00	66.30-66.90	—
Oct-Dec	67.20-67.40	67.50-67.60	67.70-66.0
Jan-Mar	69.70-69.10	70.00-70.10	70.20-68.80
Apl-Jne	72.60-72.70	72.90-73.10	72.70-71.80
Jly-Sept	76.50-75.70	75.80-75.90	—
Oct-Dec	78.50-79.60	79.00-79.10	78.50-77.70
Jan-Mar	81.70-81.80	81.90-82.00	81.50-81.50
Apl-Jne	84.70-84.80	84.60-84.90	84.70

Sales: 811 (414) lots of 15 tonnes; 2 (21) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 64.75p (65.00p); Sept 63.25p (63.75p); Oct 64.25p (64.75p).

SOYABEAN MEAL

The market opened lower on stronger sterling, reports T. G. Roddick. In quiet trading conditions prices closed around opening levels.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
August	155.00-50.0	—1.50	—
October	139.60-40.1	—0.65	140.20-39.70
December	142.50-43.3	—1.30	144.50-42.80
February	145.00-47.0	—1.65	—
April	146.00-48.0	—0.75	—
June	147.50-50.0	—0.24	—
August	146.00-52.0	—0.50	—

Sales: 18 (52) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £202.00 (£216.00) a tonne cif Aug-Sept shipments. White sugar daily price £227.00 (same). Reports that Portugal had secured two cargoes at $361.50 C and F, thought to be of Cuban origin stimulated long liquidation. However, good support developed and half the losses were recovered by the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	215.25-15.50	215.80-15.70	216.00-09.25
Jan	210.50-11.00	211.25-11.50	210.50-08.00
March	213.15-13.25	212.55-12.70	215.00-09.00
May	215.50-15.75	214.25-14.75	216.25-11.00
Aug	217.00-17.50	216.50-16.75	216.00-15.50
Oct	218.00-19.00	217.25-18.00	218.00-17.50
Jan	217.00-19.00	217.00-17.35	—

Sales: 6,608 (4,216) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne for home trade and £319.0 (£325.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 5: Daily price 16.05 (16.09): 15-day average 16.47 (16.32).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 35 tonnes. Trading continued to dwindle to lower levels, although demand was fairly insistent. Interest ranged over various Middle Eastern and African supplies.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 499.5, 499.7, 499.2-499.0; Dec 507.0, 507.5, 508.0-507.0; March 519.5, 520.0, 520.0; May 527.0, 528.0, 527.0; July 534.0, 535.0, 535.0-534.0; Oct 532.0, 533.0, untraded; Dec 535.0, 538.0, 538.0-536.0. Sales: 54.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business) New Zealand cents per kilo. Oct 402, 406, nil Dec 405, 408, 406; Jan 407, 410, 407; Mar 418, 420, 418; May 426, 429, 423-427; Aug 437, 440, nil, Oct 439, 443, nil; Dec 441, 445, 442-441; Jan 444, 447, nil. Sales: 9.

POTATOES

LONDON POTATO FUTURES—Widespread rain gave rise to increased optimism for yields, and grower selling, together with stop-loss selling, moved all positions down, closing with easy tone a little above the lows, reports Coley and Harper. Closing prices: Nov 89.00, —6.00 (high 93.00 low 87.50); Feb 111.00, —7.70 (high 115.50, low 110.00); April 126.00, —7.00, (high 130.00, low 125.00). Turnover: 698 (865) lots of 40 tonnes.

*

HIDES — Manchester: virtually unchanged. Second clears. Ox: 31-35.5 kg, 46.9p a kilo (47.6p a kilo withdrawn); 26-30.5 kg, 54.0p a kilo (54.0p a kilo withdrawn); 22-25.5 kg, 58.2p a kilo (58.3p a kilo). Light cows: 25.5 kg, 55.5p a kilo (55.3p a kilo withdrawn).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 72.4 to 76.2. Veal: Dutch hinds and ends 116.0 to 124.0. Lamb: English small 56.0 to 62.0, medium 56.0 to 60.0; Imported frozen: New Zealand PL 55.0 to 56.0. Pork: English, under 100 lb 41.0 to 52.0, 100-120 lb 42.0 to 49.5, 120-160 lb 37.5 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets on August 6. GB—Cattle 86.44p per kg lw (—1.80). UK—Sheep 124.86p per kg est dcw (—10.74). GB—Pigs 67.02p per kg lw (—2.62).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navels 48 5.10, 56 5.90, 72 5.93, 88 5.35, 112 4.90, 138 4.85, 150 4.40; Californian: 72/113 6.50-7.00; Argentine: Navels 56/113 6.50-6.80. Lemons—Spania: boxes 5.50-6.50, trays 25/50 2.20-2.40; Californian: 95/145 6.50-7.50; Outspan: 80/195 6.00-7.50; Italian: 100/120 6.00-6.50. Grapefruit—Outspan: 40 5.15, 48 4.90, 56 4.40, 64 4.10, 72 3.20; Argentine: all sizes 3.60-4.00. Apples—S. African: Granny Smith 7.00-8.00, Golden Delicious 6.50-7.50; Chilean: Granny Smith 3.40-4.00, Starking 4.40-5.00; New Zealand: Granny Smith 7.00-8.00, Sturmer Pippin 5.20-5.60; Tasmanian: Granny Smith 6.00-6.50, Sturmer Pippin 5.00-5.50, Democrat 7.00, Crofton 7.00, Legana 7.00; U.S.: Red Delicious 11.00-12.00; French: Golden Delicious 40-lb 125/175 3.00-4.50; Spanish: new crop, Golden Delicious 20-lb 2.40-2.80. Pears—Spanish: Per 20-lb Williams' 3.50; French: Per pound Williams' 0.18-0.20, 28-lb Dr Guyot 3.00, 20-lb traypack 3.00. Nectarines—Italian: large trays A/C 2.50-4.00. Plums—Spanish: Santa Rosa 3/8 2.50-4.50, per pound Burbank 0.20-0.30; Italian: Belle 4.00-4.50, Imperial 4.00. Greengages—French: 9-kilos 2.80; Italian: 12-lb 4.00; Spanish: 11-lb 2.00-3.50. Apricots—Hungarian: 13-lb 2.60. Cherries—U.S.: Per pound 0.80-0.85. Grapes—Cyprus: Cardinal 11-lb 3.00-3.30, Sultena 11-lb 3.00-3.30, Thomoson 11-lb 4.40-5.00, Alphonse Lavallee 11-lb 4.40; Spanish: Cardinal 11-lb 2.00-2.20, Alphonse Lavallee 11-lb 4.00; Italian: Regina 2.50-2.60. Melons—Spanish: 10-kilos yellow 2.60-3.20. Water-Melons—Spanish: 15-kilos 3.00-3.50; Italian: 17-kilos 4.50-5.00. Peaches—Italian: large trays AA/C 2.0-3.00; French: A/C 1.40-2.50. Pineapples—Ivory Coast: Each 0.40-1.00. Bananas—Colombian: Per pound 0.19. Avocados—S. African: 12/16 4.00; Kenyan: 5.00. Tomatoes—Dutch: 12-lb 2.80-3.00. Onions—Spanish, Lina 3.5 3.0-4.00; Egyptian: 2.50-3.00. Potatoes—Cyprus: 44-lb bags 5.00-5.10. Capsicums—Dutch: 5-kilos, green 4.00, red 6.50-7.00; Italian: Green 6-kilos 3.00. Aubergines—Dutch: 5-lb 4.50. Cabbages—Dutch: White, small bags 7.00, large bags 9.00, red 5.30. Fennel—Dutch: Per 11-lb 3.60. Artichokes—French: Globe 24s 4.50-5.00. Endives—French: 12s 7.00.

English Produce: Potatoes—Per 55-lb white 2.60-2.80, red 2.60-3.00. Mushrooms—Per pound, open 0.50, closed 0.50. Apples—Per pound, Bramley 0.14-0.18, Grenadier 0.12. Cauliflowers—Per 12, Lincoln 1.20-2.50. Cabbages—Per bag, Primo 20-lb 1.00-1.50. Lettuce—Per 12, round 1.00-1.40, Cos 10/12 2.00. Tomatoes—Per 12-lb, D 2.20, E 3.00. Radishes—Per pack of 12 x 8oz 1.50, bunches of 15 1.50. Onions—Per tray x 20 bunches, spring 2.00, 55-lb 40/60mm 2.00-2.50. Celery—Per 12/24 1.30-1.80, winter crop 3.60-4.00. Cucumbers—Per 10/20 1.80-2.00. Broad Beans—Per 24-lb 0.05-0.08. Peas—Per 20-lb, net 2.00-2.50, per 40-lb 5.00. Carrots—Per 26/28-lb 1.00-1.60. Strawberries—Per ½-lb 0.40-0.60. Raspberries—Per ¼-lb 0.10-0.30. Cherries—Per pound 0.50-0.60. Beetroots—Per 28-lb 1.50-1.80. Marrows—Per box 0.80-1.00. Fennel—Per 11-lb 3.00. Parsnips—Per pound 0.15-0.20.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 6 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt.	$1210/1240	....	$1145/175
Copper			
Cash w'bar	£1002.25	+2.75	£875
3 mths	£1033.25	—3.5	£909.25
Cash Cathode	£998	+3	£878.5
3 mths	£1024	+2.75	£900.5
Gold troy oz	$395.5	—3	$406
Lead Cash	£502	—11	£406.5
3 mths	£499.5	+9.75	£405.75
Nickel	£4087.3	....	£3,850.50
Free mkt	275/295c	....	275/295c
Platin'mtr'y oz	£260	....	£247
Freemkt	£219.15	+2.0	£213.85
Quicksilver	$426/436	....	$420/460
Silver troy oz	467.05p	+8.7	461.35p
3 mths	482.90p	+8.8	475.25p
Tin Cash	£7870	+15	£6,755
3 mths	£7882.5	+30	£6,855
Tungsten22.01b	$144.57	....	$143.64
Wolfrm22.04lbs	$148/160	....	$149/152
Zinc Cash	£548.5	—10	£456
3 mths	£560.5	—8.75	£458.25
Producers	$925	....	$925
Oils			
Coconut (Phil)	$582.5y	+7.5	$595
Groundnut	‡	....	‡
Linseed Crude	£452	....	£452
Palm Malayan	$550x	+2.5	$590
Seeds			
Copra Philip	$370	....	$370
Soyabean(U.S.)	$301.25	+1.25	$302.5
Grains			
Barley Fut. Nov	£102.50	+0.65	£100
Maize	£126	....	‡
Wheat Fut. Nov	£110.05	+1.05	£104.60
No2 HardWint	£120.50	+0.5	£119
Other commodities			
Cocoa ship't*	£1255	+5	£1,054
Future Dec.	£1240.5	+1.5	£1,013
Coffee Ft' Nov.	£993.5	—3.5	£783.5
Cotton A.Index	83.85c	+0.05	86.40c
Gas Oil Sept	$298.25	—1.75	$293.5
Rubber (kilo)	64.75p	—0.25	59.5p
Sugar (Raw)	£202y	—14	£213
Wool't'ps 64s kl.	394p kilo	....	376p kilo

In tonnes unless otherwise stated. ‡ Unquoted. y Aug-Sept. w July-Aug. z Aug. x Sept. † Per 76-lb flask. * Ghana cocoa. n Nominal.

AMERICAN MARKETS

NEW YORK, Aug 6.

SHORT COVERING rallies linked to the deteriorating economic situation in Poland carried precious metals to higher levels. Major buying by coffee roasters rallied the market to limit advances. Profit taking and short selling by commission houses depressed cocoa prices. Cotton prices declined further on trade hedge selling as weather improved. Sugar prices rallied on private forecasters indications that the Soviet beet crop suffered from dry and hot weather. Heating oil finished moderately lower on a lack of follow through on the previous day's buying, reported Heinold.

Copper—Aug 81.55 (81.95), Sept 82.40-82.60 (82.95), Oct 83.95, Dec 86.50-86.65, Jan 87.70, March 90.00-90.25, May 92.50, July 94.90, Sept 97.30, Dec 100.50, Jan 101.55, March 103.65, May 105.80.

Potatoes (round whites)—Nov 77.2-77.3 (77.4), Feb 86.5-87.5 (87.0), March 92.4, April 107.5-108.0. Sales: 689.

*Silver—Aug 869.0 (831.5), Sept 875.0-880.0 (841.0), Oct 891.0, Dec 916.0-920.0, Jan 929.3, March 953.8, May 978.3, July 1002.8, Sept 1027.3, Dec 1064.3, Jan 1076.6, March 1101.0, May 1125.5. Handy and Harman bullion spot: 844.00 (834.50).

Sugar—No. 11: Sept 16.20-16.25 (16.00), Oct 16.22-16.28 (16.02), Jan 16.17-16.20, March 16.32-16.35, May 16.40, July 16.54-16.55, Sept 16.75, Oct 16.76. Sales: 10,040.

Tin—645.00-657.00 (645.00-656.00).

CHICAGO, August 6.

Lard—Chicago loose 22.00 (same).

Live Cattle—Aug 66.65-66.77 (67.22), Oct 64.00-64.05 (64.50), Dec 64.95-64.30, Feb 65.00-64.90, April 65.45-65.32, June 66.05, Aug 66.30.

Live Hogs—Aug 51.27-51.50 (50.97), Oct 49.85-49.92 (50.00), Dec 53.40-53.50, Feb 54.90-54.95, April 53.37, June 55.77, July 56.00, Aug 55.32, Oct 54.60.

‡‡Maize—Sept 329-328½ (327¾), Dec 334¾-335 (333¾), March 350-350¼, May 361½-361¾, July 370½-370¾, Sept 376½.

Pork Bellies—Aug 51.15-50.90 (51.40), Feb 65.50-65.25 (65.25), March 65.67-65.75, May 66.75, July 67.75, Aug 67.75.

†Soyabeans—Aug 719-720 (710½), Sept 720½-721½ (715¼), Nov 735-736, Jan 755½, March 773, May 801½, July 821-821½, Aug 827.

‖Soyabean Meal—Aug 203.7-204.0 (203.4), Sept 205.0-204.8 (204.3), Oct 205.7-205.8, Dec 212.2-212.5, Jan 215.5-216.5, March 222.0-222.5, May 227.0-227.2, July 233.0-233.1, Aug 234.4-234.5.

Soyabean Oil — Aug 22.20-22.25 (22.04), Sept 22.60-22.62 (22.41), Oct 23.10-23.05, Dec 23.85-23.88, Jan 24.25, March 25.05, May 25.60, July 26.05-26.10, Aug 26.05-26.15.

†Wheat—Sept 404¾-404½ (402½), Dec 436½-436 (433½), March 464½-464¾, May 481, July 488½, Sept 499.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Wednesday's closing prices

NEW YORK, August 5.

††Cocoa—Sept 2064 (2082), Dec 2174 (2191), March 2233, May 2262, July 2287, Sept 2304, Dec 2321. Sales: 1,870.

Coffee—"C" Contract: Sept 112.50-113.00 (115.45), Dec 108.09 (112.09), March 109.33, May 109.43, July 110.38, Sept 111.25, Dec 114.25. Sales: 3,219.

Cotton — No. 2: Aug 74.35-75.00 (74.35), Oct 73.40 (73.25), Dec 74.60-74.70, March 77.02-77.30, May 79.10, July 81.00-81.20, Oct 80.30-80.50, Dec 80.35. Sales: 2,000.

Heating oil (cents per U.S. gallon)—Sept 0.9548 (0.9510), Oct 0.9710 (0.9670), Nov 0.9860, Dec 1.0035, Jan 1.0190, Feb 1.0350, March 1.0450, April 1.0575, May 1.0650, June 1.0700, July 1.0700, Aug 1.0800, Sept 1.0900, Oct 1.0950. Turnover: 4,797.

Orange Juice — Sept 133.60-133.95 (131.45), Nov 136.80-134.70, Jan 140.50, March 142.70-143.20, May 145.00, July 147.00-147.20, Sept 149.00-149.20, Nov 151.00-151.20. Sales: 3,700.

CHICAGO, August 5.

Chicago Imm Gold — Aug 390.1 (same), Sept 395.0-395.5 (394.1), Dec 409.3-409.2, March 425.5, June 440.3, Sept 456.8, Dec 473.0, March 489.0, June 505.2.

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain): Sept 21.25, Nov 20.75, Jan 21.10, March 21.55, May 22.00.

WINNIPEG, August 5.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 251.60 (251.17).

EUROPEAN MARKETS

ROTTERDAM, Aug 6

Wheat: (U.S. dollars per tonne): U.S. No. 2 Dark Hhard Winter 13.5 per cent Aug 199, Sept 203, Oct 207; U.S. No. 2 Red Winter Aug 159, Sept 163; U.S. No. 3 Amber Durum Aug 187, Sept 191, Oct 194; U.S. No. 2 Northern Spring 14 per cent Aug 180.50, Sept 183.75, Oct 194; Canadian Western Red Spring July 25-Aug 20 236.

Maize—(U.S. dollars per tonne), U.S. No. 3 Corn Yellow afloat 150.75, Aug 150.50, Sept 149, Oct-Dec 152, Jan-March 162.

Soyabeans—(U.S. dollars per tonne): U.S. No. 2 Yellow Gulfports Aug 295.25, Sept 289.75, Oct-Nov 287, Dec 293.75, Jan 299, Feb 305, March 309.50, April 315, May 317 sellers tradeless.

Soyameal—(U.S. dollars per tonne): 44 per cent protein afloat 246, Aug 245, Sept 247, Oct 249, Nov-March 260; Brazil Pellets afloat 253, Aug 252, Sept 253, Oct 259, Nov-March 274 sellers.

PARIS, August 6

Cocoa—(FFr per 100 kilos): Sept 1265/1265, Dec 1340/1348, Mar 1363/1375, May 1375/1390, July 1385 bid, Sept 1395/1420, Dec 1415/1450. Sales at call: 2.

Sugar—(FFr per tonne): Oct 2338/2340, Nov unquoted, Dec 2270/2275, Mar 2330/2354, May 2370/2400, July 2375/2410, Aug 2385/2420, Oct 2400/2440. Sales at call: 8.

INDICES

FINANCIAL TIMES

Aug. 6	Aug. 4	Month ago	Year ago
275.54	276.34	254.79	275.75

(Base: July 1, 1952=100).

MOODY'S

Aug. 5	Aug. 4	Month ago	Year ago
1069.3	1065.4	1059.8	1230.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 5	Aug. 4	Month ago	Year ago
Spot	383.53	385.96	381.16	445.44
Fut'rs	388.93	391.86	364.83	454.97

(Average 1924-25-26=100).

REUTERS

Aug. 6	Aug. 5	M'nth ago	Year ago
1756.9	1764.7	1801.6	1716.0

(Base: September 18, 1931=100)

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.50-£6.60, codlings £3.00-£4.00. Large haddock £4.80-£5.20, medium £2.80-£4.60, small £1.80-£2.50. Large plaice £5.0-5.40, medium £4.60-£5.50, best small £3.60-£4.50. Skinned dogfish (large) £5.50-£6.50, (medium) £3.00-£4.00. Lemon soles (large) £7.50, (medium) £6.50. Rockfish £2.00-£2.30, Saithe £1.80-£2.20.

LONDON STOCK EXCHANGE

Markets unsettled by fresh reaction in sterling and rally in Gilts reversed—Equity leaders below best

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 27	Aug 6	Aug 7	Aug 17
Aug 10	Aug 26	Aug 27	Sept 7
Aug 28	Sept 10	Sept 11	Sept 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

A reasonable firm trading session on London stock markets yesterday was marred by sterling's sudden reaction against the dollar in the afternoon. Gilt-edged securities were particularly sensitive, and an earlier continuation of Wednesday's recovery movement was reversed. The impact on equities was less marked, but most leading industrials closed a shade below the best.

Gilts traded on a quietly firm note for most of the day and were showing gains ranging to ½ at the long end of the market before reacting to close only modestly better. Short-dated stocks followed a similar pattern, reverting to overnight levels after showing rises of ⅛.

Buying interest in the industrial leaders was again confined to the first hour or so of trading. Fresh gains of a few pence were mirrored in the FT 30-share index which recorded a rise of 3.1 at the 11 am calculation and held around that level for most of the day before closing 2.4 up on balance at 534.4. There was no improvement in the overall trading volume, but situation stocks continued to attract a fair amount of interest.

Barclays Bank, up 14 at 450p on the increased interim dividend and better-than-expected half-yearly earnings, provided one of the day's best features. **Ladbroke**, in contrast, turned reactionary following the announcement of a £25m rights issue. On the bid scene, the auction between **Gallaher and Dennison** for control of **Ofrex** continued with a fresh bid from **Gallaher** of 170p per share. Of the sectors, Oils continued their recent recovery and the recent slide in the pound against the dollar prompted demand for Insurance Brokers which recorded some useful rises.

Traded options remained relatively subdued and 1,092 deals were arranged—821 calls and 271 puts. Continuing bid speculation in the underlying shares prompted another active business in **RTZ** which recorded 231 calls. Puts were dominated by **Racal** with 202 trades arranged.

Barclays brought the clearing bank dividend season to an impressive close, declaring a 13½ per cent increase in its interim dividend and reporting first-half profits way above expectations; the shares, steady to firm ahead of the figures, improved steadily on them to close 14 better at the day's best of 450p. The other majors made good progress in sympathy but failed to hold the best levels. **NatWest** were active but closed only a penny harder at 406p, after 417p, while **Lloyds** ended 6 up at 408p, after 412p. **Midland** touched 340p before reverting to the overnight level of 336p. Elsewhere, reports of a large line of shares overhanging the market left **Standard Chartered** 14 down at 648p. Renewed investment demand lifted **Hambros** 45 to 870p.

Lloyds Brokers stood out in Insurances, rising smartly on revived U.S. bid speculation and currency considerations. Still reflecting a Press suggestion that **Alexander and Alexander** might bid for the group following its abortive merger talks with Sedgwick, **Alexander Howden** rose 6 afresh to 134p. **C. E. Heath**, 303p, and **Minet**, 148p, advanced 11 and 10 respectively.

In Buildings, Press comment highlighting the possibility of a Nigerian contract stimulated support for **Sheffield Brick** which put on 9 to 49p, while demand ahead of next Thursday's interim results lifted **William Whittingham** 10 to 166p. **Wiggins Construct**, still responding to the chairman's optimistic annual statement, added another 3 to a 1981 peak of 75p and **A. Monk** firmed 5 to 50p on new-time interest. **Marchwiel** revived and rose 5 to 129p. On the other hand, nervous selling in front of today's preliminary results clipped 6 from **Phoenix Timber** to 102p, while **Carron** closed a penny off at 28p, after 27p, following the half-yearly loss and dividend omission.

ICI encountered sporadic selling and closed 2 easier at 274p, but **Rentokil** added a couple of pence for a two-day gain of 6 to 155p in response to the annual results. Elsewhere, **Novo Industries B** attracted fresh support and rose 2½ points to £106.

Currys wanted

Stores were firm and closed at the day's best, although gains were often exacerbated by stock shortage. Selected counters continued to make useful progress in the wake of a broker's circular. **Boots**, 231p, and **Dixons Photographic**, 176p, rose 7 apiece, while **Currys** revived with a rise of 9 to 191p. Renewed speculative support lifted **Owen Owen** 6 to 248p. Mail-orders, neglected of late, returned to favour and **Freemans** stood out at 120p, up 6.

With the exception of **Racal** which eased 5 to 443p, the Electrical leaders continued firm on sporadic investment support. Elsewhere, **Muirhead** advanced 6 to 105p, after 108p, on the announcement that Tyco Laboratories had increased its stake in the company to nearly 24 per cent and intends to add a further 5 per cent in the near future. **Jones Stroud** gained 7 to 82p in belated response to Press comment.

Secondary issues provided several firm features in Engineerings. **Moss** rose 7 to 87p in response to Press comment and **Greens Economisers** put on a similar amount to 134p following revived speculative buying. **Associated Tooling** and **James Austin Steel** improved 4 and 2 respectively to the common level of 62p after satisfactory trading statements, while **Glynwed** put on 3 to 93p following comment on the interim results. Of the quietly firm leaders, **Vickers** added 3 more for a two-day rise of 12 at 170p.

Hoover disappoints

Renewed demand, ahead of the interim results, due early next month, left **Cadbury Schweppes** another 2 dearer at 92p. Elsewhere in the Food sector, **Avana** became a volatile market on rumours that the company had lost its contract to supply J. Sainsbury and dropped to 260p before closing a net 7 down at 268p; **Sainsbury** rose 9 to a 1981 peak of 438p. **British Sugar** shed 8 to 322p on lack of support.

Ladbroke fell to 153p before closing 7 down on balance at 156p with the Warrants 4 off at 111p, after 110p, on the £25.5m cash call and interim results.

The announcement of a £6.1m first-half deficit and omission of the interim dividend depressed **Hoover** issues—the ordinary closed 5 down at 120p, after 115p, with the A similarly lower at 107p, after 105p. Elsewhere in miscellaneous industrials, nearly doubled interim profits and an increased dividend helped **Relyon PBWS** advance 9 to 121p. **Peter Black** put on 5 to 183p following satisfactory preliminary results and **Evode**, also after trading news, appreciated 3 at 77p, after 79p. News of Gallaher's increased cash bid of 170p per share saw **Ofrex** marked up to 168p before a close of 164p, up 4 on balance. Currently in receipt of an agreed cash bid of 56p per share from Otis Elevator, **Harris and Sheldon** improved 2½ to 55p, while **BTR** rose 10 to 344p on investment support. Comment on the group's financial restructuring clipped 3 from **ICL** at 27p. Among the leaders, **BOC** continued firmly at 145p, up 2; the third-quarter figures are due next Wednesday.

Demand ahead of the interim results, due August 17, lifted **Horizon Travel** 9 for a two-day gain of 24 to 264p.

Motor Components displayed a firmer bias. **Lucas** found support and added 3 to 197p, while **Dowty**, a depressed market since recent disappointing annual figures, rallied 7, to 247p on recovery hopes.

Oils improve

In Newspapers, **International Thomson** added 8 to 268p reflecting the group's oil interests.

Properties closed below the best following a reasonable two-way business, **Land Securities** finishing 2 dearer at 324p, after 327p, and **MEPC** a couple of pence better at 239p, after 242p. **Law Land** firmed 2 to 114p, after 115p, in line with **Churchbury Estates** which touched 695p before settling a net 5 up at 685p; Churchbury now has acceptances totalling 67.85 per cent to its share-exchange offer and the bid has been extended until August 26. Elsewhere, **Thames Investments** came to life and put on 15 to 200p.

Helped by the strong advance on Wall Street, UK oils began on a quietly firm note but drifted off to close with only modest gains. **British Petroleum** finished just 2 dearer at 324p, after 326p, while **Shell** settled 8 higher at 398p, after 400p. **Ultramar**, interim figures next Thursday, touched 523p before closing 5 up at 520p, and **Tricentrol** gained 6 to 286p. **Sovereign**, 375p, and **Berkley Exploration**, 389p, put on 9 apiece, while onshore explorer **Candecca** added 5 to 209p. **Cambridge**, at 342p, regained 9 of the previous day's fall of 15; London Merchant Securities' 350p per share cash offer has been extended to August 19. Among Canadians, **Global Natural Resources** jumped 70 to 995p, while **Double Eagle** gained 15 to 180p and **Ranger** 27 to 695p.

Mercantile House continued to make good headway following substantial investment support and the close was 39 higher at 505p, up 65 since the shares went ex the rights and scrip issues on Monday; the nil-paid advanced 29 to 158 premium. **Britannia Arrow**, which holds a near-12 per cent stake in Mercantile House, hardened a couple of pence to 57½p. Elsewhere in Financials, **Centreway Trust** continued to react to the preliminary deficit and sharply reduced dividend and gave up 10 more to 100p.

Among Tobaccos, **Rothmans** attracted considerable new-time interest and closed 4½ to the good at 78p. **Imps** firmed 1½ to 63½p.

Minorco shine

The Bermuda-registered **Minorco** led the way ahead in more active mining stocks, with a jump of 113 to 670p. The rise was due to firmer base metal prices, and a market short of stock in the face of strong demand from London and the U.S.

Rio Tinto-Zinc extended recent gains with an advance of 8 to 590p, after a high for the year of 595p, and the loan stock held at 127½, also a high for 1981. Strong demand carried **Charter Consolidated** to 270p, a rise of 13.

South African Golds recouped much of recent losses as bullion traded within a narrow range, finally closing at $395.50, a rise of $3. The Gold Mines index put on 9.4 to 325.7.

Hartebeest were the best of the heavyweights, closing ⅞ ahead at £27¾. Rises of ¼ or more were fairly common.

Among the lower-priced issues, **Libanon**, 821p, and **Harmony**, 709p, were both almost 50 better, while **Stilfontein** gained 32 to 751p.

South African Financials were a very firm market, featured by **Amgold**, up 1¾ to £43¾ ahead of the half-year results. **Johannesburg Consolidated Investment** put on ¾ to a high for the year of £36½. **UC Investments** closed 40 better at 600p and **Anglo American** rose 15 to 680p.

In Diamonds, **Anamint** jumped 1¾ to £46, while, in Platinums, **Impala** moved ahead strongly to 393p, a rise of 35, in response to good demand from London and the U.S. following several favourable reviews from brokers on both sides of the Atlantic.

FINANCIAL TIMES STOCK INDICES

	Aug. 6	Aug. 5	Aug. 4	Aug. 3	July 31	July 30	A year ago
Government Secs	64.03	64.00	63.69	63.85	64.48	64.21	69.49
Fixed Interest	66.07	65.79	65.78	66.15	66.24	66.31	70.41
Industrial Ord	534.4	532.0	528.5	528.3	528.1	525.9	478.2
Gold Mines	525.7	516.3	517.9	519.6	524.1	514.4	380.1
Ord. Div. Yield	5.90	5.92	5.97	5.98	5.98	6.00	7.59
Earnings, Yld. % (full)	10.76	10.86	10.94	10.96	10.96	11.50	18.17
P/E Ratio (net) (*)	11.82	11.58	11.60	11.58	11.58	10.90	6.83
Total bargains	16,418	14,260	16,387	14,990	14,851	14,030	19,816
Equity turnover £m.	—	106.97	89.78	72.29	78.05	78.44	103.17
Equity bargains	—	11,054	10,751	10,188	9,916	10,041	12,018

10 am 535.8. 11 am 535.1. Noon 534.7. 1 pm 534.8.
2 pm 535.0. 3 pm 535.0.
Latest Index 01-246 8026.
Nil=10.79.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (6/1)	262.6 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 5	Aug. 4
—Daily		
Gilt Edged Bargains	156.4	162.5
Equities Bargains	71.6	69.5
Value	216.2	181.5
5-day Avrge.		
Gilt-Edged Bargains	154.1	153.1
Equities Bargains	67.3	69.4
Value	172.0	163.5

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new High and Lows for 1981.

NEW HIGHS (92)

AMERICANS (15)
CANADIANS (2)
BANKS (1)
BUILDINGS (2)
CHEMICALS (1)
ELECTRICALS (3)
ENGINEERING (5)
FOODS (4)
INDUSTRIALS (13)
INSURANCE (7)
MOTORS (1)
SOUTH AFRICANS (3)
TEXTILES (1)
TRUSTS (27)
OIL & GAS (3)
MINES (4)

NEW LOWS (30)

BUILDINGS (2)
Carron — Vectis Stone
STORES (1)
Lee Cooper
ENGINEERING (3)
British Aluminium — Wood (S. W.)
British Steam
FOODS (1)
Barrow Milling
HOTELS (1)
Comfort Int.
INDUSTRIALS (8)
Benlox — Hoover A
Brit. Cine. Theatres — ICL
Christies Int. — Macpherson (D.)
Duple Int. — P.M.A.
LEISURE (2)
Assoc. Leisure — Mangt. Agcy. Music
PAPER (1)
Wace Group
TRUSTS (2)
Danae (Inc.) — Fundinvest Inc.
OILS (2)
Weeks (Bermuda) — Weeks Pf (Aust.)
OVERSEAS TRADERS (2)
Paterson Zochonis — Paterson Zoch. A N-V
MINES (5)
Rand Lond. Coal — Barymin
Carr Boyd — Highwood Res.
Kamunting

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	32	5	56
Corpns., Dom. and Foreign Bonds	23	—	46
Industrials	220	148	1,003
Financial & Props.	179	29	294
Oils	36	21	39
Plantations	2	6	15
Mines	86	12	69
Others	85	23	100
Totals	663	244	1,622

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Avena	268	−7	Law Land	114	+2
Barclays Bank	450	+14	Mercantile House	505	+39
Charter Consolidated	270	+13	Minorco	670	+113
Horizon Travel	264	+9	Ofrex	164	+4
Howden (A.)	134	+6	Reed International	273	+2
Ladbroke	156	−7	Ultramar	520	+5

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in the SE Official List

Stock	No. of price changes	Wed's closing price pence	Day's change	Stock	No. of price changes	Wed's closing price pence	Day's change
GEC	14	760	+8	NatWest Bank	9	405	+5
Ultramar	12	515	+12	RTZ	9	582	+9
BOC Int.	10	143	+6	Royal Insce.	9	380	−5
LASMO	10	590	+10	BP	8	322	+6
BAT Industries	9	377	−4	Comm. Union	8	170	−5
Barclays Bank	9	436	+4	Glynwed	8	90	+4
Marks & Spcr.	9	130	+1	ICI	8	276	—

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 14	Nov. 5	Nov. 16
Aug. 17	Aug. 28	Nov. 19	Nov. 30
Sept. 7	Sept. 18	Dec. 3	Dec. 14

For rate indications see end of Share Information Service

Stocks dealt in for the call included Royal Bank of Scotland, Anvil Petroleum, Woodside, Somportex, Bula, NCC, BOC, Hestair, Suter Electrical, Premier Oil, Derritron, Western Areas and Brockhouse. A put was done in Tubes, while a double was arranged in Suter Electrical.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Thurs., Aug. 6, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Weds., Aug. 5 Index No.	Tues., Aug. 4 Index No.	Mon., Aug. 3 Index No.	Fri., July 31 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	351.81	+0.2	10.28	4.44	12.01	351.16	348.41	348.81	349.42	275.59
2	Building Materials (25)	300.24	−0.7	12.45	5.66	9.86	302.35	302.33	303.70	302.96	254.27
3	Contracting, Construction (28)	593.71	+0.1	17.25	5.13	6.73	592.93	554.53	555.55	553.65	408.46
4	Electricals (30)	1177.36	+0.1	7.83	2.35	15.53	1175.63	1166.42	1153.67	1161.17	799.47
5	Engineering Contractors (10)	489.16	+0.1	12.77	5.57	9.35	489.51	487.62	489.73	489.54	334.21
6	Mechanical Engineering (69)	202.03	+0.4	12.97	5.89	9.74	201.34	200.22	201.73	201.91	178.14
7	Metals and Metal Forming (13)	151.83	−0.4	10.47	7.83	12.52	152.46	151.19	152.77	154.42	166.33
8	Motors (21)	98.57	+0.5	1.73	7.08	—	98.11	97.64	97.88	97.49	102.06
10	Other Industrial Materials (18)	379.43	+0.1	9.53	5.29	12.58	374.41	373.21	372.63	370.03	[illegible]
21	CONSUMER GROUP (195)	280.86	+0.6	12.25	5.70	10.08	279.10	278.26	278.46	277.91	232.09
22	Brewers and Distillers (20)	300.40	−0.1	14.82	6.42	8.09	300.70	299.43	301.23	302.89	278.58
25	Food Manufacturing (21)	257.71	+0.2	15.01	6.47	8.03	257.30	257.90	257.06	256.43	208.19
26	Food Retailing (14)	559.03	+0.1	9.14	3.30	13.94	558.79	550.52	552.19	551.63	347.39
27	Health and Household Products (7)	336.28	−0.1	8.19	4.36	14.54	336.56	336.37	337.25	336.06	218.95
29	Leisure (22)	446.44	+0.3	9.36	4.71	13.29	444.97	443.17	443.46	445.06	326.13
32	Newspapers, Publishing (12)	485.21	−0.2	12.83	6.31	11.09	486.22	484.29	487.37	485.38	431.84
33	Packaging and Paper (13)	146.01	+0.1	14.39	7.05	8.12	145.92	145.31	146.72	145.56	130.89
34	Stores (44)	264.67	+1.9	10.99	5.04	12.12	259.66	258.15	256.30	254.19	228.92
35	Textiles (23)	159.31	+0.1	7.41	5.73	19.34	159.18	156.61	158.06	158.59	124.22
36	Tobaccos (3)	263.34	+0.5	19.30	9.43	6.07	261.92	263.32	265.89	265.71	224.47
39	Other Consumer (16)	285.72	−0.2	4.58	5.25	25.75	286.33	287.99	288.05	[illegible]	[illegible]
41	OTHER GROUPS (79)	227.73	+0.2	10.27	6.28	12.67	227.33	226.86	227.67	227.74	221.30
42	Chemicals (15)	283.52	−0.1	4.79	6.40	40.02	283.92	281.64	284.26	283.23	308.87
44	Office Equipment (6)	154.95	+0.3	15.05	7.49	8.16	154.53	154.26	154.91	155.50	135.33
45	Shipping and Transport (13)	549.25	+0.5	16.07	6.91	7.30	546.59	546.02	549.76	546.27	577.80
46	Miscellaneous (45)	299.55	+0.5	13.08	5.62	9.59	297.92	299.70	299.22	298.01	280.24
49	INDUSTRIAL GROUP (488)	297.65	+0.4	11.26	5.30	11.03	296.44	295.35	295.40	295.32	247.76
51	Oils (12)	759.92	+1.2	22.08	7.56	5.02	751.23	741.26	746.16	752.19	782.35
59	500 SHARE INDEX	334.99	+0.5	13.19	5.70	9.09	333.20	331.41	331.84	332.24	290.37
61	FINANCIAL GROUP (118)	268.25	+0.7	—	6.31	—	266.35	266.61	268.15	267.36	224.90
62	Banks (6)	279.44	+1.3	31.88	6.59	3.69	275.97	272.93	276.55	273.71	227.14
63	Discount Houses (10)	268.73	+0.5	—	8.39	—	267.46	267.73	267.73	267.59	281.94
64	Hire Purchase (3)	250.44	−0.9	12.23	7.26	11.32	252.79	251.05	253.40	251.92	222.29
65	Insurance (Life) (10)	271.10	−0.5	—	5.58	—	269.65	270.61	271.39	270.28	222.95
66	Insurance (Composite) (9)	176.95	+0.2	—	7.28	—	176.58	177.72	178.44	178.20	148.89
67	Insurance Brokers (8)	417.84	+3.5	10.68	5.55	12.71	403.62	405.16	409.01	408.16	332.40
68	Merchant Banks (13)	169.01	+1.0	—	5.03	—	167.37	169.08	169.58	169.14	153.49
69	Property (49)	480.11	+0.4	3.91	2.92	34.99	478.29	480.46	481.16	483.41	429.99
70	Miscellaneous (10)	181.66	−0.2	17.69	5.84	6.88	182.10	181.84	183.16	180.59	139.63
71	Investment Trusts (109)	316.06	+0.4	—	5.28	—	314.80	313.92	312.29	310.94	[illegible]
81	Mining Finance (3)	277.10	+1.5	12.94	5.02	9.10	273.06	264.39	260.21	253.18	241.35
91	Overseas Traders (20)	424.13	+0.6	13.16	7.02	11.46	421.64	421.73	427.11	426.58	411.54
99	ALL-SHARE INDEX (750)	322.06	+0.6	—	5.63	—	320.08	318.74	319.30	319.42	276.89

FIXED INTEREST

	PRICE INDICES	Thurs., Aug. 6	Day's change %	Weds., Aug. 5	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.85	+0.04	106.80	—	6.24
2	5-15 years	102.49	+0.05	102.44	—	7.89
3	Over 15 years	104.38	+0.12	104.25	—	8.33
4	Irredeemables	114.37	+0.03	114.33	—	7.43
5	All Stocks	104.24	+0.07	104.17	—	7.43
6	Debentures & Loans	81.43	+0.42	81.09	—	6.27
7	Preference	62.67	+0.12	62.60	—	3.94

	AVERAGE GROSS REDEMPTION YIELDS		Thurs., Aug. 6	Weds., Aug. 5	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	12.71	12.71	11.99
2		15 years	13.51	13.51	11.93
3		25 years	13.34	13.35	11.95
4	Medium Coupons	5 years	14.88	14.88	13.48
5		15 years	15.34	15.35	13.31
6		25 years	14.89	14.90	13.16
7	High Coupons	5 years	14.84	14.86	13.73
8		15 years	15.53	15.54	13.64
9		25 years	14.85	14.84	13.50
10	Irredeemables		13.05	13.05	11.42
11	Debs & Loans	5 years	15.73	15.87	14.20
12		15 years	15.96	16.03	14.07
13		25 years	15.95	16.07	13.93
14	Preference		15.92	15.94	14.40

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26p.
•Corrected indices for August 5.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −	Div. p. or Amount	Times covered	Gross yield	P/E ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or −
[illegible]							

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
C. H. Gilt Growth Fd.* £9.36 9.76 ..... 3.57
Clive Gilt Fd. (C.I.) £8.20 8.56 ..... 15.40
*Prices on July 30. Next dealing Aug. 6.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Intnl. Man. Fd. 252.0 274.0 ..... —

Cortexa International
10a, Boulevard Royal, Luxembourg.
Cortexa Intnl. US$10.24 — +1.37 —

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 89.1 89.2 ..... 15.13
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	70.9	76.2	+0.8	1.90
Abbey Capital	51.4	55.0	+0.3	3.95
Abbey General	60.4	65.5xd	+0.5	4.70
Abbey Gilt & F.I. Tst.	98.9	104.1	+0.4	12.59
Abbey Income	37.6	40.6xd	+0.2	8.65
Abbey W'w.Bd.Tst.	97.7	103.3	+0.8	6.49
Abbey Inv. Ts. Fd.	56.1	60.4xd	+0.5	3.96
Equitas Prog. Tst.	88.1	95.2	+0.6	4.38

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	82.1	86.4xd	.....	13.01

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	94.5	101.1	+0.4	5.54
Brit. Inds. Fund	79.3	84.9	+0.5	6.01
Growth & Income	54.3	58.1xd	+0.3	4.59
Elect. & Ind. Dev.	48.4	51.8	+0.2	4.83
Allied Capital	104.9	112.2	+0.7	3.96
Hambro Fund	140.2	150.0	+0.9	5.35
Hambro Acc. Fund	199.5	213.5	+1.3	3.84

Income Funds

High Yield Fd.	67.0	71.7xd	-2.3	8.37
High Income	84.7	90.6	+0.1	7.86
Equity Income Fd.	47.6	50.9xd	+0.3	7.25
Govt. Secs.	23.6	24.7	+0.1	12.81

International Funds

International	40.9	43.8xd	+0.5	1.89

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	34.7	37.9xd	+0.2	12.00
North American	74.0	80.0	+0.6	2.13
Canadian Exempt*	76.7	81.1	.....	2.85
Canadian Trust	69.6	75.1	+1.9	2.34
Mid Mount High Inc.*	48.8	51.6	.....	9.34
Recovery	57.0	62.2	.....	4.90
Gilt Trust	38.8	41.7xd	+0.2	13.91

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	50.2	54.2	+0.5	0.46
Cres. Internat'l.	97.6	105.4	+0.9	1.42
Cres. High. Dist.	44.4	47.9	.....	9.39
Cres. Reserves	52.5	56.7xd	+0.2	5.24
Cres. Tokyo	43.8	47.3	+0.6	0.26

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.9	25.3	.....	9.38

Discretionary Unit Fund Managers
36/38 New Broad St. EC2M 1NU. 01-638 4485

Disc. Inc. July 23	251.6	268.3	.....	4.95

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.8	20.9xd	.....	8.30
Gt. Winchester O'seas	30.8	34.2xd	.....	3.40

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	98.1	103.2	+0.7	4.24

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American (z)	45.4	48.9	+0.6	0.41
Ameri.Spec.Sits. (z)	33.5	36.1	+0.2	0.06
Gilt + Fixed Int.	22.6	23.7xd	+0.1	13.84

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99½	97⅞	Treas. Variable '81‡‡	99½	...	14.33	14.59
100½	99⅜	Exch. 12¼pc 1981‡‡	99½		12.61	13.95
98	95½	Treas 8¼pc '80-82‡‡	97¼		8.79	13.76
96⅝	91⅞	Treasury 3pc '82‡‡	96xd	.	3.13	11.63
107	99¼	Treasury 14pc '82‡‡	99⅞		14.02	14.66
99⅝	98⅛	Treas. Variable '82‡‡	99⅝		14.36	14.66
96⅛	93½	Treasury 8¼pc '82	95⅛		8.67	14.08
96⅛	93½	Exch. 9¼pc 1982	94⅝		9.78	14.48
95⅛	92⅞	Exch. 8¾pc 1983	94	...	9.31	13.49
92¼	84⅞	Exch. 3pc 1983	91¼xd	.	3.28	9.12
99⅞	95⅞	Treasury 12pc 1983‡‡	95⅞		12.45	14.55
99½	96¼	Treas. Variable '83‡‡	99½	...	14.37	14.56
94⅛	91¼	Treasury 9½pc '83	93¼	..	9.93	13.28
101⅞	97⅞	Exch. 13½pc '83	98½		13.71	14.28
94⅛	91¼	Exch. 10pc 1983	92⅞		10.83	13.87
88	84½	Funding 5½pc '82-84‡‡	87¼	..	6.30	11.63
96⅞	92⅞	Exch. 11¼pc 1984	93½xd	.	12.00	14.25
103⅞	90¼	Exchequer 14pc 1984	99		14.14	14.39
82⅞	78½	Exch. 3pc 1984	80⅞	+⅛	3.71	10.94
98⅞	92⅞	Treasury 12pc 1984	93⅞		12.85	14.65
107¼	100⅞	Treasury 15pc 1985	101⅞xd	...	14.72	14.44
96⅞	91⅝	Exch. 12pc Cnv. '85	92⅛		13.03	14.87
76	73⅛	Treasury 3pc 1985	74⅝	+⅛	4.05	11.63
96⅛	89⅞	Treasury 11½pc 1985●	90½		12.71	14.73
98⅞	91⅞	Exch. 12¼pc 1985	92⅞		13.25	14.65
97⅛	89⅞	Exch. 11½pc '86	90⅝xd		12.97	14.65
70⅞	68	Treasury 3pc 1986	68⅞	+⅛	4.36	11.66
97⅛	90	Treasury 12pc '86	90⅝	..	13.24	14.75
86⅞	81¼	Treasury 6½pc '84-86‡‡	81¼		10.40	13.71

Five to Fifteen Years

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
103⅞	94¼	Exch. 13¼pc 1987	95⅞	+⅛	13.90	14.50
81¼	75	Funding 6½pc '85-87‡‡	76		8.75	12.99
99½	89⅞	Treas. 12pc 1987	91⅛		13.64	14.99
81⅛	74⅞	Treasury 7¾pc '85-88‡‡	75½	...	10.30	13.61
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	Consols 4pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	War Loan 3½pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Conv. 3½pc '61 Aft.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Treas. 3pc '66 Aft.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Consols 2½pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Treas. 2½pc	[illegible]	[illegible]	[illegible]	[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Public Board and Ind.

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Financial

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1981 High	1981 Low	Stock	Price	+ or −	Div. % Gross	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1981 High	1981 Low	Stock	Price	+ or −	Div. Gross	Cvr	Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

1981 High	1981 Low	Stock	Price	+ or −	Div. Gross	Cvr	Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS AND HIRE PURCHASE

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS—Continued

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPERS, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
25½	14	Burma Mines 10p	17	+½	0.75	0.9	6.3
330	180	Colby Res. Corp.	225	—	—	—	—
275	200	Cons. Murch. 10c.	230	....	†Q30c	1.8	7.5
3½	[illegible]	††Esperanza Gold	2½	....	—	—	—
93	55	††Hemerdon 10c.	55	—	—	—	—
180	110	Highwood Res.	110	−5	—	—	—
400	300	Northgate C$1	325	—	—	—	—
595	372	R.T.Z.	565	+23	16.0	3.2	3.8
£129	£93½	[illegible]	£129	+1½	Q9½%	—	18.0
103	32	††SFO Minerals 10p	32	—	—	—	—
47	22	Sabina Inds. C$1	23	−1	—	—	—
44	28	††SWCM 10p	34	....	—	—	—
560	465	Tara Expln. $1	550	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

φφ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ♦♦ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Friday August 7 1981

NORWEGIAN PIPELINE WELDING FAULTS ALLEGED

£50m claimed by Shell and Esso

BY RAY DAFTER IN LONDON AND WILLIAM DULLFORCE IN STOCKHOLM

SHELL AND ESSO are seeking £50m damages from three Norwegian companies for alleged welding defects in pipes on a North Sea oil production platform.

The claim against Akers Mekaniske Verksted, F. Selmer and Hoeyer Ellefsen is to go to an International Chamber of Commerce arbitration hearing. Shell Exploration and Production, as the operator for the Shell/Esso offshore consortium, is claiming damages for the replacement of equipment on the Bravo platform in the large Brent Field.

Shell said yesterday that faulty welds in "riser" pipes which carry gas fro mthe seabed to the platform had resulted in extensive replacement and repair work.

The Aker shipbuilding and engineering group said that the thre Norwegian companies totally rejected Shell's claim. Mr Tron Gerhardsen, Aker's information director, said the "riser" pipes had been welded by two sub-contractors, one Swedish and one British.

He added that before delivery of the platform the welds had been examined by X-ray and ultrasonic techniques and had been approved by inspectors retained by Shell and by Den Norske Veritas, the Norwegian insurance company.

Shell said that contractors, including diving teams, were making the necessary replacements. It was expected that the work would be completed at the end of this year or early in 1982.

The Norwegian-built Brent Bravo platform, installed in 1975, has been designed as the main gas compression station for the Far North Liquids and Associated Gas System (Flags), the pipeline network which links several northern fields to St Fergus, near Peterhead on the Scottish mainland.

British Gas Corporation said recently that as a result of delayel deliveries of gas through this system, it might have problems in meeting peak demand from householders and commerce if, during the coming winter, the UK faced abnormally bad weather.

Shell said that the problems with the "riser" pipes had not been solely responsible for the delayed deliveries of gas. A sequence of technical problems offshore and at the gas separation plant at St Fergus—partly associated with hold-ups at the Mossmorran gas liquids plant in Fife—will mean that British Gas will not now receive supplies through the Flags system until next March or April. British Gas said that it originaly expected deliveries to start in October last year.

Shell to raise petrol prices, Page 5

France sets budget deficit at £9.25bn

By Terry Dodsworth in Paris

THE FRENCH Treasury plans a big reflationary budget deficit of about FFr 100bn (£9.25bn) next year. The figure is about 40 per cent higher than the forecast outcome for 1981 and represents by far the biggest French deficit since the last war.

Although the Treasury's initial plans will be closely examined in the next two months, the main policy objective already have been clearly laid down by the Government.

Public spending will be pushed up by about 23 per cent to FFr 790bn, with the prime aim of reversing the escalating unemployment rate — now standing at 1.85m—while producing a growth rate in gross national product of around 3.3 per cent.

In the current year, expansion is expected to be only about 0.5 per cent, and unemployment, up by 1.8 per cent in July, is still rising quickly.

Most of the additional public spending is to go into four main sectors—energy saving measures, research, investment aids to industry, and education.

About 55,000 jobs are to be created in the public sector, on top of 54,000 this year, leaving another 100,000 still to be found over the next two to three years to fulfil President Mitterrand's election pledges.

No overall increase in the weight of the national tax burden is planned. The Government's aim is to spare industry from further tax pressure, while readjusting the spread of personal tax to the disadvantage of the higher income earners. This approach implies further heavy reliance on the bond market to finance the deficit.

The FFr 100bn deficit planned by the Treasury represents a compromise between those ministers who have been advocating more cautious reflationary policies and the radicals who wanted more ambitious action.

President Mitterrand himself recently called for "rigour" in the preparation of the Budget, implying an overall deficit ceiling of around FFr 90bn. But some sections of the Left would have been prepared to accept a much higher figure of around FFr 130bn.

The moderates, led by M Jacques Delors, the Economics Minister, are opposed to this swifter reflationary approach because of the inflationary impact of such measures and the dangers of a further slippage of the franc, which has recently lost steadily against the dollar.

According to M Laurent Fabius, the Budget Minister, the projected deficit could be financed without necessarily adding to the present inflation rate of around 13.5 per cent.

THE LEX COLUMN

Ladbroke's £26m jackpot

Index rose 2.4 to 534.4

Ladbroke's £26m rights issue —a one for six, or if you prefer, 6 to 1 on at 131p—is a dramatic symbol of the company's rehabilitation in the City. The shares have risen from last year's depths of 60p to a recent high of 170p, and yesterday the company announced first half profits of £13.7m pre-tax, against £14.1m, which amounts to a 23 per cent increase if the tail-end contribution from casinos is stripped out of last year's figure.

The group has spent £130m on capital items over the last three years, much of it on new hotels and development properties—the £7m Savoy deal is just the latest of a series. To a large extent this has been a process of reinvesting the substantial but suspect casino earnings, and Ladbroke looks to have done it very well. The trouble is that the group's cash generating activities—betting, amusement machines, the holiday businesses — are smaller than they were in relation to the hotel and property side, because of both the investment in property assets and the demise of the casinos.

In one sense, then, shareholders subscribing to the rights issue are taking the place of honour in Ladbroke's fund statement once occupied by Arab high rollers. But it would be wrong to suggest that Ladbroke is bound to become a permanent rights issue candidate. The higher capital base will allow the property division to fund itself through more borrowings, the sale of development properties should release large amounts of cash over the next few years, and the earnings power of the consumer businesses, even in the recession, is formidable. The ex-rights yield on the shares is 7.1 per cent.

Hoover

The date at which Hoover will again produce figures in black ink looks no closer after yesterday's second quarter statement. Pre-tax losses have been trimmed to £2.3m from £3.8m in the first three months because of lower redundancy costs, but the trading deficit has risen 50 per cent to £1.8m. The interim dividend has been passed.

Hoover has made significant, if belated, productivity gains but, with wage costs still rising against a background of stagnant volume and cash sales, the benefits still look some way off. More pruning will be needed in the second half, with the third quarter alone likely to produce an exceptional charge of around £1.5m.

The balance-sheet can stand the losses for some time yet. The cash balances of three years ago have evaporated but net debt totalled only 15 per cent of shareholders funds at the end of last year. The underlying second half performance should look less grim, if only because of the weaker pound, and a genuine improvement could occur next year if consumer demand picks up.

But there have been too many false dawns at Hoover and the "A" share price, down 5p at 107p yesterday, is taking nothing on trust. It represents only a fifth of book net worth.

Barclays

Barclays has underperformed the banking sector over the last year, but while its size limits the likelihood of a takeover, this neglect has not been justified on performance grounds. Yesterday the bank cantered home in easy second place to Lloyds for the first half, with pre-tax profits 15 per cent ahead of the preceding six months at £280.3m and just higher than the same period a year ago (when MLR was 17 per cent). The shares rose 14p to 450p, where the prospective yield is 6.8 per cent.

While fully comparable figures are not yet available, it looks as if Barclays has enjoyed the most resilient performance of the Big Four clearers in the UK market. Helped by a substantial rise at Mercantile Credit, domestic profits have increased by 10½ per cent over the preceding six months. One element here has been the reining in of staff numbers, with a 2 per cent cut since the beginning of the year. Looking ahead, the bank has been introducing "account executives" over this period, who have not yet had a chance to generate extra business.

The growth in international profits has not been so dramatic as at Lloyds, but pre-tax profits here are 12 per cent higher than a year ago and 24 per cent up on the preceding six months. South Africa is likely to have been dull; there has been rapid growth in Europe and a big improvement in the U.S., albeit from a low base. Against the difficult conditions in the U.S., it looks as if the series of acquisitions made in recent years is now beginning to pay off.

Letraset

Letraset's share price is signalling that escape from Mills and Allen's cheeky bid depends as much upon the appearance of a counter-bidder (the defeated finalist of the Ofrex Cup, perhaps) as on its own defensive exertions. Its defence document is certainly very thin, hanging largely on a dubiously maintained final dividend backed up by no financial information whatsoever. Elsewhere, a reference to the bidder's "earnings vulnerabilities" comes oddly from the purchaser of Stanley Gibbons.

BR seeks way of averting rail strike

By John Lloyd, Labour Correspondent

BRITISH RAIL yesterday continued its search for a middle way between the Government's tightened purse-strings and the threat by its manual unions to strike from midnight on August 30 in support of full payment of a wage award.

Mr Cliff Rose, the board member for industrial relations, gave the BR board a full report on the situation at a five-hour meeting yesterday.

Afterwards, he said no written commitment to a productivity package was required from the unions for British Rail to increase its offer. "Word of mouth from honourable men is perfectly satisfactory," he said.

Talks are not expected until next week, though it is probable discrete meetings or contacts will be made before then.

BR last night estimated that its productivity proposals would save £200m a year—not enough to fund an extra 3 per cent above BR's initial offer of 8 per cent. The 3 per cent would bring the offer to the 11 per cent awarded last month by the Railway Staff National Tribunal.

The Board believes that if the proposals are accepted by the unions—an acceptance in principle remains BR's precondition for paying the extra 3 per cent—the Government might be more "sympathetic" about further relaxing the external financing limit, already being exceeded by up to £100m.

However, the unions remain adamant that only full payment of the 11 per cent without productivity conditions will satisfy them.

They received support for their proposed action yesterday from the Confederation of Shipbuilding and Engineering Unions, whose executive voted to recommend to its members in BR's engineering workshoks to "involve themselves" in any action.

Both the National Union of Railwaymen and the train drivers' union Aslef continue preparations for the strike. Aslef executive members return members return to their regions today to settle details.

The NUR has decided not to bring out its members in British Rail's hotel chain, as originally planned, though it will bring out those members who operate the buffet car services and are employed by the hotel group.

Both unions say they have received messages of support from the Transport and General Workers' Union and the National Union of Seamen. However, no formal talks with other union leaders are planned until next week.

● The Hospital Doctors' Association, whihc represents 2,000 junior doctors, yesterday advised its members not to issue sic knotes to railway workers during any industrial dispute. The British Mdecial Association later objected to the association's stance.

'Bit of bother' on the line, Page 6

U.S. air strike intensifies as sackings and arrests continue

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE BITTER struggle between President Ronald Reagan and striking U.S. air traffic controllers intensified yesterday as mass sackings and arrests of strikers continue. Neither side was prepared to give any ground.

Mr Robert Poli, President of the Professional Air Traffic Controllers Organisation (PATCO) accused Mr Reagan's overament of a "brutal overkill and blatant union-busting tactic."

The jailing of strike leaders had made his members more determined than ever to hold out, he said.

Five PATCO members were in jail yesterday and 17 more had been arrested around the country.

The Federal Aviation Administration said that by yesterday morning more than 950 dismissal notices had been issued to controllers who had defied Mr Reagan's "work or be fired" ultimatum, and more were being issued hourly.

All the notices to the striking controllers, totalling over 12,000, would be sent out by the end of the week, the FAA said.

The union said only 3 per cent of the 13,000 who originally walked out on Monday had gone back to work. The Government put the figure at 4 per cent.

The use by the Government of military and non-union controllers, nevertheless, enabled most air passengers to reach their destinations yesterday.

Mr Drew Lewis, the Transportation Secretary, said 76 per cent of scheduled flights were operating normally and that the Government was considering calling in military reservists to help those already manning the control towers.

There was no sign that either side was preparing to back down. President Reagan said he was sorry for the sacked controllers, but there would be "no falling back, no call for retreat."

The air traffic controllers' determination not to give ground has been strengthened by their belief that they will be re-hired when the dispute is settled.

Although the administration has said it is sifting through 29,000 applications for the controllers' jobs, it would take many months to train new recruits. Mr Poli said he would also challenge the sackings in court.

The union will now fight the heay fines being imposed on them, totalling more than $5m (£2.8m)

But the Government, is adamant that the strikers have broken the law forbidding federal employees to strike and insist that the sackings will be permanent.

Mr Lynn Helms, head of the FAA, said he could have operations back to normal by training just 6,500 new controllers in the next 21 months.

BL to sell one of its assembly plants in South Africa

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL, the state-owned UK group, is to sell the larger of its two assembly plants in South Africa to the Sigma company for £8.5m.

However, BL will expand its second plant, at Elsie's River near Cape Town, at a cost of £9m and will continue to assemble cars, trucks and buses in South Africa.

The UK group has also completed a deal to build a mid-sized Renault car at the Elsie's River plant from 1983.

Details of the deal with Sigma, jointly owned by Anglo-American Corporation and Chrysler, are due to be announced in South Africa this morning.

Completion of the sale of BL's bigger plant, at Blackheath, also near Cape Town, will take place in December 1982, according to industry observers.

Sigma will expand the plant and build Mitsubishi and Mazda light commercial vehicles there. Sigma has had these franchises for some time and also assembles Mazda, Peugeot and Citroen cars.

BL, which operates locally through Leyland South Africa, a wholly-owned subsidiary, will move bus and truck assembly to Elsie's River in the next 17 months.

It will continue production of Minis, Rovers and Range Rovers at Elsie's River and make room for the new Renault, said to be bigger than the R5, with four doors, an engine of about 1,500 cc and front-wheel drive.

BL has previously said the bus and truck business in South Africa is very profitable and the car side returned to profits last year. However, the new arrangements will involve BL's operations contracting in South Africa.

It employs about 2,200 people in South Africa. After expansion, the Elsie's River plant will employ 1,400—against 600 at present.

BL has been steadily losing car market share in South Africa for some years. It sold about 4,300 cars last year for a 1.6 per cent share of the market, compared with 6 per cent in 1975.

Public-sector borrowing record

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BORROWING BY the public sector was a record £6.77bn from April to June, though the total was boosted by the impact of the Civil Service dispute.

After adjusting for these distortions, officials reckon that the figures are consistent with the March Budget forecast of an outcome of £10.57bn for the whole 1981-82 financial year.

The Central Statistical Office estimates that some £3¼bn to £3¾bn of receipts of tax and national insurance contributions were delayed by the dispute in the period.

Consequently, adjusted borrowing may have been £3bn to £3½bn. This compares with £4 1bn in the same quarter a year ago.

Some City analysts are more sceptical than Whitehall officials about whether the underlying level of borrowing is consistent with Budget forecasts.

In part this is because of doubts whether the £6bn to £6½bn of tax revenue held up between mid-March and the late July will be fully recouped.

There are worries as to whether tax revenue will be as buoyant as forecast by the Treasury, in view of the recession.

Borrowing forecasts are subject to a wide margin of error at this stage of the financial year, and the Treasury was too optimistic last year.

PUBLIC SECTOR
Borrowing, £bn

1978-79		9.19
1979-80		9. 9
1980-81		13.26
1980	1st	−0.24
	2nd	4. 1
	3rd	4.05
	4th	4.45
1981	1st	0.67
	2nd	6.77

Figures are seasonally adjusted
Source: Central Statistical Office

Nevertheless even the more pessimistic analysts expect a relatively small overrun, perhaps £750m to £1½bn, compared with the overshoot of £4¾bn in the past financial year.

The Treasury's cautious confidence largely reflects the fact that central Government borrowing, after adjusting for the dispute, was about £2bn, from April to June, compared with £3.2bn in the same period a year ago.

Public corporations borrowed £752m overall in the period. This was on the high side, and the position is being watched closely.

Local authority borrowing was £538m in the quarter, compared with £818m a year earlier.

These figures are all seasonally adjusted. The total for local authorities and public corporations includes both their borrowing from and repayments to central Government, as well as other market sources.

Continued from Page 1

Barclays

inflated overseas costs. The charge for bad and doubtful debts, which averaged £65m in the previous two half-years, was reduced slightly, to £59.7m.

In common with Lloyds Bank, which recently reported better-than-expected profits, Barclays appears to have benefited from its strong overseas operations.

By contrast, Midland and National Westminster, with less developed international operations, reported falls in profits.

After adjusting for inflation, Barclays current-cost profits rose by 3.8 per cent to £158.7m.

The bank has to set aside £96m for the Government windfall bank profits tax, which has reduced its retentions from £121.4m to £71.6m. Nevertheless, it has increased its interim dividend by 13¼ per cent to 10.5p per share.

Total pre-tax profits of the Big Four clearing banks have fallen by only 2 per cent to £774m in the first half of 1980.

Continued from Page 1

Butter

storage costs without disrupting the world market. "As a leading dairy exporter, New Zealand is in a position to manage the movement of this butter to the world market in a non-disruptive way," he said.

Larry Klinger adds from Brussels: The EEC Commission yesterday gave qualified approval for the deal. Officials "took note" that the U.S and New Zealand had undertaken not to disrupt the world market.

However, the Commission reserved the right to take action under the General Agreement on Tariffs and Trade

Belgian taxes raised and national spending cut

BY LARRY KLINGER IN BRUSSELS

BELGIUM'S new Centre-Left Government agreed on a package of tax increases and spending cuts which is expected to reduce the 1982 budget deficit to BFr 200bn (£2.7bn) and ensure the coalition's survival until the autumn.

The agreement allowed weeks of often bitter argument between the Christian Democrats led by Mr Mark Eyskens, the Prime Minister, and their Socialist partners.

The package includes spending cuts of BFr 92bn and measures to boost revenue by BFr 44bn. But it was not immediately clear where the cuts would fall, and no major changes in taxation were agreed.

In addition the problem posed by Belgium's indexed system of wage increases was not tackled. It was the Socialists' refusal to discuss changes in this system which brought down the previous government

Mr Eyskens yesterday said the austerity budget measures, which he described as the most difficult to negotiate since the war, would undoubtedly hit many people.

Weather

UK TODAY

CLOUDY with outbreaks of rain or thunderstorms, some heavy, followed by brighter weather.

London, S.E. England, E. Anglia, E. England
Outbreaks of rain or thunderstorms. Max 20C (68F).

N.E., N.W. and S. England, the Midlands, Channel Isles, Lakes
Cloudy with outbreaks of rain or thunder, clearing from the West. Max 21C (70F).

S.W. England, Wales
Cloudy with thundery rain, becoming brighter from the West. Max 20C (68F).

Scotland and N. Ireland
Sunny intervals and light variable wind. Max 19C (66F).

Outlook: Dry at first with sunny intervals, with rain later spreading southwards from Scotland to all areas.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	30	86	Lisbon	S	23	73
Algiers	S	29	84	Locarno	S	28	82
Amsdm	S	25	77	London	T	19	66
Athens	S	30	86	L. Ang †	C	19	66
Bahrain	S	39	102	Luxmbg.	S	28	82
Barclna	S	29	84	Luxor	S	39	102
Belfast	C	15	59	Madrid	S	30	86
Belgrd	S	30	86	Majorca	S	33	91
Berlin	S	28	82	Malaga	S	27	81
Biarritz	C	21	70	Malta	S	32	90
Bmghm.	R	18	64	M'chstr	R	16	61
Blackpl.	R	16	61	Melbrne	F	13	55
Bordx.	C	23	73	Miami †	S	29	84
Boulgn.	S	28	82	Milan	S	29	84
Bristol	R	18	64	Montrl. †	C	17	63
Brussels	S	28	82	Moscow	S	25	77
Budpst.	S	28	82	Munich	S	25	77
Cairo	S	34	93	Nairobi	C	21	70
Cardiff	R	19	66	Naples	S	31	88
Cas'b'ca	C	24	75	Nwcstl.	R	15	59
Cape T.	F	15	59	N. York †	F	23	73
Chicg. †	C	22	72	Nice	S	29	81
Cologne	S	29	84	Nicosia	S	32	90
Cpnhgn	S	23	73	Oporto	S	21	70
Corfu	S	32	90	Oslo	S	24	75
Denver †	C	19	66	Paris	T	29	84
Dublin	C	18	64	Perth	F	18	64
Dbrvnk.	S	30	86	Prague	S	26	79
Ednbgh.	C	17	63	Rykjvk.	C	11	52
Faro	C	19	66	Rhodes	S	30	86
Florence	F	32	90	Rome	S	31	88
Frankfrt	S	29	84	Salzbrg.	S	27	81
Funchal	F	22	72	S'cisco †	C	11	52
Geneva	S	28	82	Stckhlm	S	25	77
Gibrltr	S	27	81	Strasbg.	S	30	86
Glasgow	F	19	66	Sydney	S	16	61
G'rnsey	C	18	64	Tangier	F	24	75
Helsinki	C	19	66	Tel Aviv	S	29	84
H. Kong	C	31	88	Tenerife	S	26	79
Innsbrk	S	28	82	T'r'nto †	F	17	63
Invrnss.	F	17	63	Tunis	S	35	95
I. o Man	C	18	64	Valencia	S	30	86
Istanbul	C	25	77	Venice	S	29	84
Jersey	C	20	68	Vienna	S	28	82
Jo'burg	S	16	61	Warsaw	S	26	79
L. Plms.	F	23	73	Zurich	S	28	82

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.
† Noon GMT temperatures.

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